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Hosiery/Legwear/Bodywear
(Men's, Women's, Boys,' Girls')

FAIRCHILD FACT FILE

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HOSIERY/LEGWEAR

(Men's, Women's, Boys', Girls')

Market Trends

Hosiery mills in the U.S. managed a slight gain in total output in 1987 to bring the production level to a new peak of almost 320 million dozen pairs. The gain of less than 1% compared with 1986 followed a 5.2% increase reported by the National Association of Hosiery Manufacturers for 1986 compared with 1985.

The overall output of the largest category, sheer types of hosiery for women and girls, knit on 300 needles or more, which represented 52% of total U.S. hosiery output last year, held at about the 1986 level, while output of men's socks registered a 5.2% decline. The biggest gain was in production of socks for women, boys and girls, which increased 54% in 1987 compared with the previous year.

Marketers were watching the trend in women's hemlines. Up or down significantly has an impact on women's hosiery purchases by style. The current trend to multiple lengths is seen as encouraging for the legwear business. Miniskirts can trigger a turn away from knee socks toward pantyhose and tights. The long lengths in vogue in recent years helped growth in thigh-highs, knee socks and other socks. The latter, however, was spurred by the fact that millions of women decided to wear athletic footwear, with socks, for streetwear, as well as to participate in fitness activities.

Hosiery has come a long way from being classified as a staple in women's wardrobes -- and in men's, boys' and girls', too, for that matter. Socks have become a key fashion accessory, and mills specializing in this business had a very good 1987. If there is a downturn in the economy in 1988, as expected in some quarters, accessory items usually benefit, as consumers can update wardrobes at relatively low cost.

Hosiery styles require quick shifts and quick reaction to the marketplace, and this should help the U.S. industry meet the growing competition from imports. Imports, however, still represent less than 5% of the total U.S. market's new supply. U.S. mills are installing new knitting machinery and improving finishing operations to gear up to quick response needs.

A factor clouding the business outlook in 1988 is the availability of Lycra spandex and cotton. As key fibers in hosiery/legwear, makers are concerned about the price increases necessary to offset the high costs of raw materials.

The bulk of sheer hosiery business in 1988 will continue to come from the basic styles, which represent 70 to 80% of most resources volume; but fashion legwear is expected to grow along with the increase in multiple lengths and component dressing.

AT THE MANUFACTURER LEVEL

The U.S. Bureau of the Census compiles detailed industry information every five years in the Census of Manufactures, the latest of which covered the year 1982. In intercensal periods, the Bureau compiles an annual survey among samples of manufacturers to provide estimates on key measurements of manufacturing activity.

GENERAL INDUSTRY STATISTICS

Hosiery, Total (SIC 22B)
(Dollar figures are in current dollars)

	1982*	1977*
Number of companies	526	528**
Number of mills	586	580
Number with 20 or more employees	353	422
Employees, total (thous.)	49.2	55.5
Production workers (thous.)	--	--
Payroll (mil. $)	$ 481.6	$ 403.1
Value added by manufacture# (mil. $)	912.3	750.9
Value of industry shipments## (mil. $)	2,079.6	1,609.9
Capital expenditures, new (mil. $)	32.4	45.7

Women's Hosiery, Including Tights, Etc. (Not including Socks) (SIC 2251**)

	1985	1984	1982	% Change 1985/82
Number of companies	na	na	180(r)	--
Number of mills	169***	176***	206	- 18.0%
Number with 20 or more employees	120***	126	117	+ 2.6
Employees, total (thous.)	30.8	31.2	30.2	+ 2.0
Production workers (thous.)	27.4	27.5	26.7	+ 2.6
Payroll (mil. $)	$ 383.2	$ 372.1	$ 311.1	+ 23.2
Value added by manufacture# (mil. $)	914.0	969.2	777.4	+ 17.6
Value of industry shipments## (mil. $)	1,568.2	1,654.4	1,411.3	+ 11.1
Capital expenditures, new (mil. $)	36.2	27.4	26.0	+ 39.2
Machinery & equipment (mil. $)	30.1	23.8	na	--

Hosiery, n.e.c (SIC 2252**)

	1985	1984	1982	% Change 1985/82
Number of companies	na	na	376	--
Number of mills	385***	393	420	- 8.3%
Number with 20 or more employees	248	262	263	- 5.7
Employees, total (thous.)	31.7	33.3	32.6	- 2.8
Production workers (thous.)	27.9	28.6	28.8	- 3.1
Payroll (mil. $)	$ 386.4	$ 376.5	$ 326.5	+ 18.3
Value added by manufacture# (mil. $)	698.1	707.7	617.3	+ 13.1
Value of industry shipments## (mil. $)	1,551.0	1,604.3	1,443.4	+ 7.5
Capital expenditures, new (mil. $)	31.0	35.4	31.4	- 1.3
Machinery & equipment	22.2	25.0	na	--

(footnotes continued)

GENERAL INDUSTRY STATISTICS

(footnotes from previous table)

na not available
n.e.c. not elsewhere classified
(r) revised

* The composite information on all types of hosiery mills is reported in the 1977 and 1982 Enterprise Statistics reports, which is compiled every five years. This report classifies companies by their principal product line (although they may operate plants in more than one product classification). The SIC (Standard Industrial Classification) codes, used in classifying the two component industries covered above, define the princial product of individual manufacturing mills or plants. Figures for the two component industries are not additive, as some mills make a combination of hosiery for men, women and children. In addition, the SIC system, by definition, may include mills operated by manufacturing companies classified under the Enterprise System in another industry.

** Manufacturing plants (mills) are classified by industry under the Standard Industrial Classification System (SIC) determined by the principal product made. The hosiery classifications comprise all mills primarily engaged in knitting, dyeing or finishing hosiery.

SIC 2251 covers mills making women's full-length and knee-length seamless and full-fashioned hosiery, pantyhose and women's tights.

SIC 2252 covers mills engaged in knitting, dyeing or finishing infants', children's, girls' hosiery/legwear; men's and boys' hosiery/legwear; slipper socks, leg warmers and all other types of hosiery not included in SIC 2251 such as women's socks and anklets. (In general, this covers mills knitting hosiery on less than 300 needles.)

***Information on number of mills in 1984 and in 1985 is from the Census Bureau's annual County Business Patterns report.

# Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by other manufacturers, and is for most purposes the best value measure of individual industries.

## Value of industry shipments includes receipts for contract work and miscellaneous receipts, as well as the value of shipments of both primary products and secondary products made in mills in the specified industries. The value of primary product shipments (hosiery), alone--plus the value of shipments of hosiery by mills classified in other industries who make hosiery as secondary products--is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census: 1982 Enterprise Statistics (ES82-1); 1982 Census of Manufactures, 1984, 1985 (MC82-1-22B); Annual Surveys of Manufactures

GENERAL INDUSTRY STATISTICS

Based on reports received regularly from knitting mills producing most of all types of hosiery made in the U.S., plus estimates for non-reporting mills, the National Association of Hosiery Manufacturers (NAHM), Charlotte, NC, compiles current information on the U.S. hosiery industry and its market. The NAHM data represents a most important contribution to this Fact File.

In 1987, according to the NAHM, a total of 328 companies were producing the hosiery classifications covered, up from 303 counted in 1986. This was the highest total reported since 1978, when there were 331 companies in the industry. All of this gain, as noted in the following table, was in companies operating mills producing hosiery knit on less than 300 needles. This would not include sheer and opaque hosiery.

Along with an increase in the number of hosiery companies, the hosiery mill count in 1987 totaled 438, compared with 434 in 1986. This was the highest number since 1981, when 442 mills were operating at the end of the year. Consistent with the report on hosiery companies in operation, the increase in the mill count has been among those producing hosiery on less than 300 needles; and the recent gains are centered in the South. The current level of 438 hosiery mills compares with a total of 465 reported by the NAHM at the end of 1978.

Number of Hosiery Companies, 1982-1987
(As of end of year)

		Women's			All Other**		
Year	Total	Total	North***	South	Total	North***	South
1987	328	83	13	70	248	25	223
1986	303	86	18	68	220	20	200
1985	297	87	19	68	215	17	198
1984	283	89	21	68	198	13	185
1983	292	92	22	70	207	13	194
1982	295	92	22	70	210	13	197

Number of Hosiery Mills (Plants), 1982-1987
(As of end of year)

		Women's*(r)			All Other**(r)		
Year	Total(r)	Total	North***	South	Total	North***	South
1987	438	104	16	88	351	33	318
1986	434	110	20	90	346	32	314
1985	426	110	20	90	340	31	309
1984	428	113	22	91	339	31	308
1983	430	110	22	88	342	32	310
1982	432	110	22	88	344	32	312

(r) revised

* Covers hosiery, pantyhose, socks, etc., knit on 300 needles or more for women and girls, size 7 and up. (Some companies are included in both data designated * and **.)

** Covers hosiery knit on less than 300 needles for infants and children (size 3-8 1/2), for girls, boys and women (size 8-11); for men (size 10 and up).

***North includes the Midwest and Far West.

Source: National Association of Hosiery Manufacturers, Hosiery Statistics (Annual reports)

GENERAL INDUSTRY STATISTICS

Employment & Earnings

The U.S. Bureau of Labor Statistics reports total employment in U.S. hosiery mills in 1987 averaged 71,300, down slightly from the 1986 level. In women's hosiery mills, employment averaged 34,700, which was 1.4% below the 1986 average; while mills making other hosiery had average employment totaling 36,600, 1.1% above the 1986 level.

Production worker employment in women's hosiery mills last year was down almost 1%, averaging 31,000. In other hosiery mills, an average of 32,800 were employed in production, which was 1.2% above the 1986 average.

Weekly earnings in the women's segment last year were up 2.8% over the 1986, average, while in other hosiery mills, the average for weekly earnings registered a 4.6% gain.

Hosiery Industry Employment & Earnings: Annual Average 1984-1987

	Women's Hosiery, Except Socks (SIC 2251)*				Hosiery, n.e.c (SIC 2252)*			
	1987	1986	1985	1984	1987	1986	1985	1984
All employees (thous.)	34.7	35.2	34.9	33.9	36.6	36.2	34.6	35.1
Production workers	31.0	31.3	31.2	30.5	32.8	32.4	31.0	31.5
Av. weekly earnings	$249.48	242.65	235.52	218.68	243.43	232.76	213.23	209.44
Av. hourly earnings	6.43	6.27	6.07	5.77	6.21	6.03	5.81	5.60
Av. weekly hours	38.8	38.7	38.8	37.9	39.2	38.6	36.7	37.4

* For SIC industry definitions, see page 3.

Source: U.S. Bureau of Labor Statistics

INDUSTRY CONCENTRATION

The entire textile industry in the U.S. has undergone a period of restructuring, characterized by consolidations, mergers, and plant closings. As a result, domestic manufacturing has become increasingly concentrated among a smaller number of mills -- mainly the large mills. The hosiery segment of the industry is no exception.

The most recent figures reflecting this development are from the Census Bureau's County Business Patterns report covering 1985 operations. The total number of mills classified in the women's hosiery segment (SIC 2251) declined 7.1%, from 182 in 1983 to 169. Mills with 100 or more employees increased from 61 (33.5% of the total) in 1983 to 64 (38%) in 1985. The share of employment in this manufacturing operation accounted for by the large mills rose from 89% to 91%. Mills with 500 or more employees accounted for over 60% of total employment in this industry segment compared with 5670 in 1984.

INDUSTRY CONCENTRATION

There was a drop of 6.3% in the number of other hosiery mills -- from 411 in 1983 to 385 in 1985, according to the Census Bureau. Mills with 100 or more employees increased from 92 (22.4% of the total) to 98 (25.4%) in this period. Total employment figures by employment size class are incomplete due to restrictions on reporting on a limited number of companies; however, mills with 100 to 249 employees represented a third of the total in 1985, compared with 29.9% in 1983.

Hosiery Mills By Employment Size: 1985

	Women's Hosiery (SIC 2251)*			Hosiery, n.e.c. (2252)*		
	Mills		Employment	Mills		Employment
	No.	%	%	No.	%	%
Total mills						
Employment class	169	100.0%	100.0%	385	100.0%	100.0%
Number of employees:						
Under 10	31	18.3	0.4	86	22.3	0.7+**
10 to 19	18	10.7	0.7	51	13.2	2.2
20 to 49	32	18.9	2.6	95	24.7	9.5
50 to 99	24	14.2	5.0	55	14.3	11.8
100 to 249	21	12.4	10.2	65	16.9	33.0
250 to 499	20	11.8	20.7	27	7.0	29.0
500 or more	23	13.6	60.4	6	1.6	10.0+**

n.e.c. not elsewhere classified.
* For a definition of SIC codes, see page 3.
** Figures for very small mills and for very large mills are withheld by the Census Bureau to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
County Business Patterns; 1985

Sales & Marketing Management Magazine (April 27, 1987) estimated that there were 119 mills in the women's hosiery industry which had 20 or more employees in 1986, and 71 of these had 100 or more employees. Comparable findings in 1985 were 132 and 77, respectively.

The number of hosiery mills making other types of hosiery (SIC 2252) with 20 or more employees was estimated at 219, of which 101 had 100 or more employees in 1986. Comparable figures reported for 1985 were 237 and 109, respectively.

The most detailed information on industry concentration levels is covered in the Census Bureau reports on the 1982 Census of Manufactures. Some information from this source (Hosiery Mills By Employment Size) was covered in the 1986 edition of this Fact File. Data since released covers the value of industry shipments accounted for by large companies with mills classified in the hosiery industry (See table below). In addition, the census reports covered the percent of shipments accounted for by all hosiery producers, regardless of industry classification. (See section on PRODUCT SHIPMENTS.)

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies: 1977, 1982

	Value of Industry Shipments*						
	No. of	Total	% Accounted for by Largest Companies				
Industry	Companies	(Mil. $)	Top 4	Top 8	Top 20	Top 50
Women's hosiery (SIC 2251)						
1982	180	$1,411.3	58	66	81	95
1977	176	871.2	50	62	78	94
Hosiery, n.e.c. (SIC 2252)						
1982	376	$1,443.4	20	29	48	70
1977	375	921.3	19	29	46	66

n.e.c. not elsewhere classified

* Includes the value of shipments of hosiery as well as secondary products, plus miscellaneous receipts for contract work, etc., by mills classified in this industry.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; Concentration Ratios in Manufacturing (MC82-S-7)

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations, i.e. generally considered to be the rate at which profits will be maximized.

Figures for 1986 (released in November 1987) reflected the relative strength of mills making non-sheer hosiery and legwear (knit on less than 300 needles), including men's hosiery. The preferred capacity utilization rate in this segment rose to 94 compared with 87 in 1985. In women's hosiery (panty-hose, sheer hosiery, etc.), the utilization rate rose from 78 to 82 in 1986.

Capacity Utilization Rates in the Hosiery Industry Fourth Quarters 1982-1986

	Preferred Rate				
	1986	1985	1984	1983	1982
Women's hosiery, exc. socks	82	78	83	91	92
Hosiery, n.e.c.	94	87	83	90	84

(r) revised

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: Current Industrial Reports, Survey of Plant Capacity, (MQ-C1)

LOCATION OF THE INDUSTRY

Both of the two segments of the hosiery industry are concentrated in the South, particularly North Carolina. According to the 1982 Census of Manufactures, compiled by the Census Bureau, North Carolina had 116 (56%) of the 206 mills counted in the women's hosiery segment, and these mills had a 58.5% share of the value added by manufacture by all women's hosiery mills. Of the 420 other hosiery mills, 274 (65.2%) were in North Carolina, and these mills accounted for 59.4% of value added by manufacture.

The NAHM has reported that North Carolina mills accounted for 52.5% of production of hosiery of all types covered by the association in 1987. This was down from some 56% in 1985 and 1986. The next most important state was Alabama, which held a 10.4% share of 1987 hosiery production.

North Carolina notably dominates the production of women's sheer hosiery, accounting for 72.5% of 1987 production, according to the NAHM, down from 75.4% in 1986, but comparing with 58.8% in 1983. Of total production of women's pantyhose in 1987, North Carolina had a 43.3% share. This share, however, has been trailing downward from the better-than-49% level noted in 1983 and 1985. Other Southern states have picked up the slack.

In the production of socks and anklets of all types, North Carolina accounted for 51.8% in 1987; Alabama, 22%; Tennessee, 10.7%; other Southern states, 4.2%. Mills in Pennsylvania lost a lot of ground, with share of production noted at only 1.3% in 1987 compared with 3.9% in 1986, 4.7% in 1985.

NATIONAL ADVERTISING

Expenditures for Space/Time in Major Media By Hosiery Manufacturers: 1984, 1986, 1987

	1987	1986	1984	% Change 1987/86
Measured media total	$64,751.2	$62,434.9	$88,783.0	+ 3.7%
Network television	39,180.1	38,879.4	57,975.5	+ 0.7
Cable TV network	866.0	1,176.8	nr	- 26.4
Spot television	676.5	1,961.7	8,836.3	- 65.5
Consumer magazines	19,731.0	16,912.5	19,108.6	- 16.7
Network radio	3,467.2	2,788.3	1,773.7	+ 24.3
Newspaper supplements	571.2	297.3	1,084.4	+ 92.1
Outdoor	259.2	418.9	4.5	- 38.1

Source: Leading National Advertisers (LNA)

NATIONAL ADVERTISING

Hosiery advertising directed to consumers is dominated by the Sara Lee Corporation (formerly Consolidated Foods Corporation). In 1987, this advertiser spent $50,159.5 thousand in measured media, 77.5% of the total on hosiery. This company has strong brands produced in the Hanes Hosiery and L'eggs Products Divisions. The 1986 total spent for space and time was up 18% over the 1986 total. The company spent $29,751.6 thousand for network television time advertising hosiery in 1987; this was 76% of the TV time total on hosiery.

The second largest advertiser in measured media in 1987 was the Wickes Companies, Inc., owners of the No Nonsense, Cameo, Leg Looks, Interwoven, Supphose, Adler and other brands, with spending totaling $11.2 million, down from $15.1 million in 1986. Most of the total in both years went for network TV advertising -- a total of $9.4 million in 1987. (In March 1988, Wickes announced negotiations were underway to sell their Kayser-Roth Hosiery Group to members of the unit's management and Narragansett Capital Corp., Providence, RI.)

Palm Beach (Evan Picone, Teddy Hosiery) ranked thrid in 1987 ad expenditures, at $494.1 thousand, almost all for magazine space. Eaglewood (Danskin, Eaglewood, Round the Clock) spent a total of $486 thousand -- mostly for spot TV exposure. The 1987 total was down from $1.2 million spent in 1986 -- all in consumer magazines.

PRODUCTION

Total production of all types of hosiery in 1987, according to the NAHM, gained less than 1% over the 1986 total, reaching 319,911 thousand dozen pairs. This small gain, however, was enough to establish a new peak for the industry.

The pattern in growth varied by industry segment, however. Sheer types of women's and girls' hosiery (knit on 300 needles or more), which represented 52% of all hosiery production in U.S. mills in 1987, held just slightly below the 1986 level. Pantyhose, the major segment--accounting for 72% of the sheer hosiery category--managed a gain in output of 1.5%. Elastomer pantyhose, however, registered a 7.7% gain. Men's hosiery (size 10 and up, knit on less than 300 needles), which represented 20% of the 1987 hosiery total, declined 5.2% in production compared with 1986.

PRODUCTION

A growing young children's market was reflected in the 4.4% rise in hosiery for infants and children, while continued interest in casual wear and the active look sparked a 5.4% increase in production of footsocks, anklets, knee-highs, etc. for girls, boys, and women.

Further details on trends in specific types of hosiery are covered in the section on PRODUCT SHIPMENTS.

Production of Hosiery By Major Types: 1982, 1985-1987
(Dozens of pairs in thousands)

	1987	1986	1985	1982	% Change 1987/82
Hosiery, total	319,911	319,121	303,350	281,768	+ 13.7%
Infants' & children's, sizes 3 - 8 1/2	29,631	28,366	26,353	25,764	+132.0
Footsocks	522	555	699	618	- 15.5
Anklets	16,929	16,640	14,200	16,055	+ 5.4
Mid-calf/crew	7,855	6,711	5,721	1,446	+443.2
Knee-highs	3,331	3,507	4,579	6,653	- 49.9
Waist-highs	983	931	1,129	992	- 0.9
Stockings	11	22	25	*	--
Girls', boys', women's, (sizes 8-11, knit on less than 300 needles), total	59,271	56,246	49,287	46,324	+ 27.9
Footsocks	5,944	6,359	6,127	6,503	- 8.6
Cushion*	4,671	5,436	5,403	6,121	- 23.7
Non-cushion	1,273	923	724	382	+233.2
Anklets	29,071	27,406	19,397	11,875	+144.8
Cushion*	9,574	11,034	7,967	4,321	+121.6
Non-cushion	19,497	16,372	11,430	7,554	+158.1
Mid-calf/crew	12,142	8,205	6,238	3,984	+204.8
Cushion*	4,320	4,135	4,141	2,982	+ 44.9
Non-cushion	7,822	4,070	2,097	1,002	+680.6
Knee-highs	11,423	13,743	17,006	23,403	- 51.2
Cushion*	6,238	5,788	7,549	6,958	- 10.3
Non-cushion	5,185	7,955	9,457	16,445	- 68.5
Stockings	35	35	60	79	- 56.0
Waist-highs (tights) size 7 & up	656	498	459	480	+ 36.7

(continued)

PRODUCTION

Production of Hosiery By Major Types: 1982, 1985-1987
(Dozens of pairs in thousands)
(continued)

	1987	1986	1985	1982	% Change 1987/82
Women's & girls' hosiery, pantyhose, stockings, tights, footsocks, etc., (knit on 300 needles or more), total	166,853	166,858	160,326	147,678	+ 13.0%
Pantyhose	119,886	118,103	114,267	105,076	+ 14.1
Sheer (yarn under 30 denier)	53,662	57,251	57,947	58,491	- 8.3
Opaque (yarn of 30 denier & over)	8,030	6,358	5,245	2,399	+234.7
Elastomer (spandex-type yarn throughout leg &/or panty)	56,018	52,018	49,011	43,226	+ 29.6
Other (tights, size 7 & up)	2,176	2,476	2,064	960	+126.7
Stockings	4,201	3,475	3,832	4,477	- 6.2
Non-stretch	1,566	1,243	1,216	1,463	+ 7.0
Stretch	2,200	1,839	2,209	2,434	- 9.6
Support	389	325	358	540	- 28.0
Other	46	68	49	40	+ 15.0
Other women's hosiery	42,766	45,280	42,227	38,125	+ 12.2
Footsocks	193	324	330	372	- 48.1
Anklets	664	629	635	756	- 12.2
Knee-highs	41,899	44,309	41,220	39,979	+ 4.8
Mid-calf/crew	10	18	42	--	--
Men's hosiery (size 10 & up, knit on less than 300 needles), total	64,156	67,651	67,384	66,002	- 2.8
Cushion*	31,861	32,511	35,101	31,562	+ 0.9
Non-cushion	32,295	35,140	32,283	30,440	+ 6.1
Footsocks	1,012	786	959	352	+187.5
Cushion*	861	647	716	144	+497.9
Non-cushion	151	139	243	208	- 27.4
Anklets	25,851	25,805	25,083	26,723	- 3.3
Cushion*	4,816	3,815	4,461	5,882	- 18.1
Non-cushion	21,035	21,990	20,622	20,841	+ 0.9
Mid-calf/crew	18,868	19,592	17,583	17,274	+ 9.2
Cushion*	11,058	10,365	9,775	11,132	- 0.7
Non-cushion	7,810	9,227	7,808	6,142	+ 27.2
Knee-highs	18,425	21,468	23,759	17,653	+ 4.4
Cushion*	15,126	17,684	20,149	14,404	+ 5.0
Non-cushion	3,299	3,784	3,610	3,249	+ 1.5

* Has some terry or cushion construction.

Source: National Association of Hosiery Manufacturers, Hosiery Statistics (Annual Reports)

PRODUCTION

Fiber Consumption

The popularity of casual legwear as a key fashion accessory, particularly anklets, crew socks, and tights, as well as hosiery with terry cushioning, is reflected in the increase in cotton consumption in the hosiery industry in the U.S. Consumption of manmade fibers, which was 85% of the industry's total fiber consumption in 1984, declined to a 73% share in 1986, according to latest figures compiled by the Textile Economics Bureau. Cotton's share increased from 21% in 1984 to 26% in 1986. Aggressive advertising campaigns are given credit for cotton's gain in popularity. Wool held a 1.3% share in 1986 vs. 1.2% in 1984.

Production of women's sheer elastomer pantyhose rose 7.7% in 1987 compared with 1986, and was up about 30% compared with 1982. Nylon-and-Lycra spandex produced by DuPont, an improved sheer stretch fiber, has been a major factor in the growth in popularity of this type of pantyhose. Elastomer pantyhose represented 47% of sheer pantyhose production in 1987 compared with 44% in 1986, according to the NAHM. Production of stretch stockings for women went up 19.6% in 1987 over 1986 through 2,200 thousand dozen pairs, but this was below the peak of 2,712 thousand dozen in 1983.

The multiple skirt lengths currently in fashion has generated more interest in a total wardrobe concept in legwear, including leggings, leotards, tights, and streetwear styles, which increases the demand for new fiber treatments, as well as in new knitting technology. Combinations of antron nylon and Lycra are also offered in new bodywear lines. A shortage of Lycra spandex, as well as the growing cost of manmade fibers and of cotton are noted as major concerns of the hosiery industry at the present time.

While nylon is the dominant fiber in women's hosiery, acrylic fibers are the major component of men's hosiery. High bulk acrylic is used extensively in athletic socks. Cotton accounts for a major share of fiber consumed in the growing market for anklets and footsocks for girls, boys and women.

Fiber Consumption By Hosiery Type: 1985, 1986
Total & Percent Accounted For By Cotton
(Quantity in thousands of pounds)

	1986(p)		1985	
	Total	% Cotton	Total	% Cotton
Men's hosiery:	88,094	33%	87,725	31%
Anklets	32,772	15	31,855	14
Footsocks	479	38	585	30
Knee	28,982	42	32,075	40
Mid-calf	25,861	45	23,210	41
Women's full-length hosiery & pantyhose	104,462	3	100,980	3
Full-length	11,227	0	10,613	0
Pantyhose	93,235	3	90,367	3

(continued)

PRODUCTION

Fiber Consumption (continued)

Fiber Consumption By Hosiery Type: 1985, 1986
Total & Percent Accounted For By Cotton

(Quantity in thousands of pounds)
(continued)

	1986(p)		1985	
	Total	% Cotton	Total	% Cotton
Other hosiery:	61,161	50%	56,671	42%
Anklets & mid-calf	37,829	60	28,476	53
Girls, boys', women's	28,489	64	20,508	56
Children's, infants'	9,340	48	7,968	47
Footsocks	3,347	59	3,274	57
Girls', boys', women's	3,180	59	3,064	58
Children's, infants'	167	58	210	44
Knee	19,985	29	24,921	28
Girls', boys', women's	17,179	29	21,268	28
Children's, infants'	2,806	30	3,663	26

(p) preliminary

Source: National Cotton Council of America:
Cotton Counts Its Customers

Textile Fibers Consumed in U.S. Production of Hosiery, 1982-1986

(Millions of pounds)

	1986	1985	1984(r)	1983	1982	% Change 1986/85	% Change 1986/82
Total fibers	295.6	275.0	276.5	275.9	244.6	+ 7.5%	+ 20.8%
Sheer hosiery, total reported*	90.7	86.4	86.0	80.7	71.6	+ 5.0	+ 26.7
Man-made, total	87.2	83.0	82.6	77.2	68.5	+ 5.1	+ 27.3
Cotton	3.5	3.4	3.4	3.5	3.1	+ 2.9	+ 12.9
Anklets & socks, total**	204.9	188.6	190.5	195.2	173.0	+ 8.6	+ 18.4
Man-made, total	127.7	122.7	131.5	152.6	139.9	+ 4.1	- 8.7
Cotton	73.4	63.2	55.6	39.6	30.6	+16.1	+140.0
Wool	3.8	2.7	3.4	3.0	2.5	+40.7	+ 52.0

(r) revised

* Includes pantyhose, stockings, body stockings, leotards & tights, sheer knee-highs, sheer anklets and support hose.

**Includes footsocks, anklets, half hose, over-the-calf hosiery and non-sheer knee-highs, for all ages and both sexes. Also includes infants' and children's waist highs.

Source: Textile Economics Bureau,
Textile Organon (September issues)

PRODUCT SHIPMENTS: PAIRS

Along with information on hosiery production and general industry statistics, the National Association of Hosiery Manufacturers (NAHM) tracks shipments of hosiery, by type, by U.S. mills.

The following table summarized developments in 1987 compared with 1986. Overall shipments in pairs declined 1.4% reflecting in large part the 6.2% decline noted in shipments of women's and girls' pantyhose, stockings, etc., knit on 300 needles or more. Stockings, although less than 3% of the women's/girls' total were gaining in popularity and shipments were up 19%. If short skirts win major acceptance, this may spark greater demand for pantyhose at the expense of stockings, however.

Overall, shipments of men's hosiery were down slightly, pulled lower mainly by the decline in mid-calf/crew socks, particularly non-cushion types, and in knee-highs.

Profile of Hosiery Shipments: 1986, 1987
(Quantity in dozens of pairs in thousands)

Hosiery Types	1987	1986	% Change 1987/86
Infants', children's (sizes 3-8 1/2)	28,607	27,273	+ 4.9%
Percent	100.0%	100.0%	--
Footsocks	1.9	2.2	- 13.2
Anklets	58.9	58.6	+ 5.6
Mid calf/crew	25.2	24.2	+ 9.3
Knee-highs	10.8	11.7	- 3.3
Stockings	*	0.1	- 25.0
Waist-highs	3.2	3.2	+ 2.7
Women's, girls' (sheer: knit on 300 needles or more)	153,166	163,294	- 6.2
Percent	100.0%	100.0%	--
Pantyhose	69.4	67.9	- 4.2
Sheer	31.9	32.1	- 6.9
Opaque	4.1	3.9	- 2.3
Elastomer*	31.9	30.3	- 1.1
Other (tights, etc.)	1.5	1.6	- 13.0
Stockings	2.7	2.2	+ 18.9
Other hosiery:	27.9	29.9	- 12.6
Footsocks	0.2	0.1	+ 37.2
Anklets	0.5	0.3	+ 20.2
Mid-calf/crew	#	#	- 39.1
Knee-highs	27.2	29.4	- 13.2
Girls', boys', women's hosiery (not sheer: knit on less than 300 needles)	61,191	56,312	+ 8.7
Percent	100.0%	100.0%	--
Footsocks	9.1	11.8	- 16.4
Cushion**	6.3	9.7	- 28.8
Non-cushion	2.8	2.1	+ 38.7
Anklets	52.0	48.2	+ 17.2
Midcalf/crew	19.0	14.0	+ 47.4
Knee-highs	18.6	25.1	- 19.4
Stockings	0.1	0.1	- 11.1
Waist-highs	1.2	0.8	+ 65.2

(continued)

PRODUCT SHIPMENTS: PAIRS

Profile of Hosiery Shipments: 1986, 1987
(Quantity in dozens of pairs in thousands)
(continued)

Hosiery Types	1987	1986	% Change 1987/86
Men's hosiery (size 10 & up)	66,019	66,365	- 0.5%
Percent	100.0%	100.0%	---
Footsocks	1.2	1.0	+ 17.5
Cushion**	1.0	0.8	+ 20.7
Non-cushion	0.2	0.2	+ 4.6
Anklets	39.5	37.1	+ 6.0
Cushion**	7.6	6.0	+ 25.1
Non-cushion	31.9	31.1	+ 2.4
Mid-calf/crew	29.1	29.6	- 2.1
Cushion**	15.6	15.0	+ 3.4
Non-cushion	13.5	14.6	- 7.7
Knee-highs	30.2	32.3	- 7.2

# Less than 0.1%
* Elastomer pantyhose has spandex-type yarn through leg &/or panty. (See table below for types of pantyhose included.)
**Socks, etc., with terry or cushion construction.

Source: National Association of Hosiery Manufacturers (NAHM): Hosiery Statistics (Annual Reports)

Shipments of Women's Elastomer Pantyhose By Type: 1986, 1987
(Quantity in dozens of pairs in thousands)

	Quantity		Percent of Total		Percent Change
	1987	1986	1987	1986	1987/1986
Elastomer Pantyhose	48,888	49,418	100.0%	100.0%	- 1.1%
Control top	22,409	22,580	45.8	45.7	- 0.8
Under 35 denier	11,334	10,122	23.2	20.5	+12.0
Leg support 35-40 dn.	12,400	13,910	25.4	28.1	-10.9
Leg support over 40 dn.	2,745	2,806	5.6	5.7	- 2.2

Source: Based on NAHM reports

PRODUCT SHIPMENTS: PAIRS

Hosiery Shipments: 1982, 1985-1987
(Dozens of pairs in thousands)

	1987	1986	1985	1982	% Change 1987/82
Hosiery, total	308,983	313,244	308,660	288,704	+ 7.0%
Infants' & children's, sizes 3 - 8 1/2	28,607	27,273	25,808	24,825	+ 15.2
Footsocks	534	615	686	691	- 22.7
Anklets	16,866	15,977	14,335	15,207	+ 10.9
Mid-calf/crew	7,206	6,593	5,257	1,559	+ 362.2
Knee-highs	3,085	3,192	4,433	6,459	- 52.2
Waist-highs (tights)	904	880	1,069	908	- 0.4
Stockings	12	16	28	1	+1100.0
Women's & girls' hosiery (pantyhose, stockings, tights, footsocks, etc., knit on 300 needles or more), total	153,166	163,294	164,931	153,176	-0-
Pantyhose	106,274	110,894	114,681	108,242	- 1.8
Sheer (yarn under 30 denier)	48,865	52,468	59,381	60,721	- 19.5
Opaque (yarn 30 denier & over)	6,272	6,422	6,045	1,833	+ 242.2
Elastomer (spandex-type yarn throughout leg &/or panty)	48,888	49,418	47,352	44,858	+ 9.0
Other (including tights)	2,249	2,586	1,903	830	+ 171.0
Stockings	4,198	3,532	3,654	4,638	- 9.5
Non-stretch	1,618	1,196	1,109	1,752	- 7.6
Stretch	2,200	1,963	2,139	2,374	- 7.3
Support	302	282	322	460	- 34.3
Other	78	91	84	52	+ 50.0
Other women's hosiery	42,694	48,868	46,596	40,296	+ 5.9
Footsocks	317	231	289	492	- 35.6
Anklets	679	565	609	870	- 21.9
Knee-highs	41,684	48,049	45,638	38,916	+ 7.1
Mid-calf/crew	14	23	60	18	- 22.2
Girls', boys', women's (sizes 8-11, knit on less than 300 needles), total**	61,191	56,312	50,026	47,980	+ 27.5
Footsocks	5,583	6,678	6,252	6,814	- 18.1
Cushion*	3,882	5,452	5,281	6,398	- 39.3
Non-cushion	1,701	1,226	971	416	+ 308.9
Anklets	31,820	27,148	19,665	12,283	+ 159.1
Cushion*	11,339	10,318	7,544	4,830	+ 134.8
Non-cushion	20,481	16,830	12,121	7,453	+ 174.8
Mid-calf/crew	11,632	7,873	5,682	4,548	+ 155.8
Cushion*	4,488	4,013	3,683	3,493	+ 28.5
Non-cushion	7,144	3,860	1,999	1,055	+ 577.2
Knee-highs	11,399	14,134	17,889	23,776	- 52.1
Cushion*	6,112	6,064	7,242	7,082	- 13.7
Non-cushion	5,287	8,070	10,647	16,694	- 68.3
Stockings (women's)	40	45	77	67	- 40.3
Waist-highs (women's tights)	656	498	461	492	+ 33.3

(continued)

PRODUCT SHIPMENTS: PAIRS

Hosiery Shipments: 1982, 1985-1987
(Dozens of pairs in thousands)
(continued)

	1987	1986	1985	1982	% Change 1987/82
Men's hosiery (size 10 & up, knit on less than 300 needles), total	66,019	66,365	67,895	62,723	+ 5.2%
Cushion*	32,435	32,270	34,544	31,516	+ 2.9
Non-cushion	33,584	34,095	33,351	31,207	+ 7.6
Footsocks	791	673	782	291	+ 171.8
Cushion*	654	542	584	133	+ 391.7
Non-cushion	137	131	198	208	+ 34.1
Anklets	26,072	24,587	25,386	26,376	- 1.1
Cushion*	4,985	3,985	4,740	6,449	- 22.7
Non-cushion	21,087	20,082	20,646	20,927	+ 0.8
Mid-calf/crew	19,234	19,842	18,228	17,445	+ 10.2
Cushion*	10,310	9,973	9,633	10,899	- 5.4
Non-cushion	8,924	9,669	8,595	6,566	+ 35.9
Knee-highs	19,922	21,463	23,499	17,611	+ 13.1
Cushion*	16,486	17,770	19,587	14,035	+ 17.5
Non-cushion	3,436	3,693	3,912	3,576	- 3.9

* Has some terry or cushion construction.

** According to a special NAHM survey covering June shipments, girls' and women's hosiery represented about 61% of hosiery size 8-11, knit on less than 300 needles; boys', 39% in 1987.

Source: National Association of Hosiery Manufacturers (NAHM): Hosiery Statistics (Annual Reports)

Each year the NAHM conducts a special survey among manufacturers of hosiery knit on less than 300 needles for girls, boys and women, which includes various types of socks, knee-highs, anklets, etc. The study covers shipments in the month of June. Results have been used in the following table to define the components of annual figures on shipments of this hosiery and arrive at estimates for total shipments of socks, knee-highs, etc., by type, combined with shipments of this hosiery by mills knitting on 300 needles or more.

Total shipments of women's and girls' anklets in 1986 compared with 1985 gained 32.3%; knee highs registered a very slight gain of less than 1%. Shipments of boys' anklets more than doubled, but the larger category, knee-highs, dropped an estimated 14.7%.

PRODUCT SHIPMENTS: PAIRS

Estimated Shipments of Socks, Knee-highs, etc.: 1985, 1986

	1986	1985	% Change 1986/85
Women's & girls', specified types, total	86,701	79,088	+ 9.6%
Knee-highs, total	52,571	52,257	+ 0.6
300 needles or more	48,049	45,638	+ 5.3
Less than 300 needles*	4,522	6,619	- 31.7
Footsocks	6,909	6,541	+ 5.6
300 needles or more	231	289	- 20.1
Less than 300 needles*	6,678	6,252	+ 6.8
Anklets	25,269	19,094	+ 32.3
300 needles or more	565	609	- 7.2
Less than 300 needles*	24,704	18,485	+ 33.6
Mid-calf/crew	1,518	1,196	+ 26.9
300 needles or more	23	60	- 61.7
Less than 300 needles*	1,495	1,136	+ 31.6
Waist-highs			
Less than 300 needles	434	461	- 5.9
Boys', (less than 300 needles)*	18,434	16,994	+ 8.5
Knee-highs	9,612	11,270	- 14.7
Mid-calf/crew	6,378	4,545	+ 40.3
Anklets	2,444	1,179	+107.3

* Has some terry or cushion construction.

Source: NAHM

Textured Hosiery

The NAHM has conducted a special study to determine the quantity of textured vs. non-textured hosiery of specified types shipped in 1987. Textured, defined as covering patterned hosiery knit on ladies' circular knitting machines (not including cut-and-sewn patterned hosiery) amounted to 6,165 thousand dozen pairs. This was 3.1% of total hosiery shipments in the classifications covered.

Specified Types of Textured Vs. Non-Textured Hosiery Shipped in 1987
(Dozens of pairs in thousands)

	Total	Textured	Nontextured
Total, specified types	196,846	6,165	190,681
Knee-highs (knit with more than 300 needles)	41,684	1,423	40,261
Sheer pantyhose	48,865	1,968	46,897
Opaque pantyhose	6,272	335	5,937
Elastomer pantyhose*	48,888	847	48,041
Other pantyhose (control top, leg support, etc.)	51,137	1,592	49,545

* Pantyhose with a spandex-type yarn throughout the leg or panty, or both.

Source: NAHM

PRODUCT SHIPMENTS: PAIRS

Mill shipments of hosiery are generally spaced fairly evenly throughout the year, but peak for Spring/Summer selling in March (and April for women's hosiery), and in October, November for Fall/Winter/Resort.

Monthly Pattern in Hosiery Shipments By Mills
Percent of 1987 Total by Months

Hosiery Types	Total Mil. Doz. Prs.	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total	- 309.0	100.0	7.9	8.0	9.1	9.0	8.2	7.9	8.9	7.8	8.1	9.2	8.6	7.4
Infants', children's	- 28.6	100.0	7.0	8.3	8.5	8.0	8.7	9.8	9.9	7.9	8.6	8.5	7.5	7.2
Girls', boys', women's Sizes 8 - 11	- 61.2	100.0	6.7	7.4	8.7	6.8	8.3	8.9	9.2	8.5	9.1	9.9	9.5	7.0
Men's Sizes 10 & up	- 66.0	100.0	8.0	6.8	7.9	7.1	8.9	8.8	8.5	8.7	8.6	9.6	8.7	8.4
Women's	- 153.2	100.0	8.5	8.7	9.9	10.8	7.8	6.7	8.8	7.0	7.4	8.8	8.4	7.2

Source: Based on annual NAHM reports

PRODUCT SHIPMENTS: VALUE

In contrast with the value of industry shipments, covered in the section on GENERAL INDUSTRY STATISTICS, which includes all products (both primary and secondary) plus miscellaneous receipts reported by mills classified in the hosiery industry, Product Shipments relate specifically to shipments of hosiery by all producers, regardless of the mills' SIC classification based on its primary products.

The latest report covering all U.S. mills, compiled by the Bureau of the Census, covers the year 1985, based on the annual survey of a representative sample of mills. Hosiery shipments were valued at $3.0 billion--11.2% over the 1982 total when measured in current dollars.

PRODUCT SHIPMENTS: VALUE

Value of Shipment of Hosiery By All Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Hosiery, legwear, total	$3,057.1	$3,201.8	$3,085.0	$2,749.8	+11.2%
Women's & misses:					
Finished full-length & knee-length hosiery	348.6	378.2	419.9	353.4	- 1.4
Finished pantyhose	1,074.4	1,073.5	1,009.1	943.2	+13.9
Full-length, knee-length, shipped in the greige	103.7	104.9	94.6	85.6	+21.1
Full-length, knee-length, n.s.k.	12.2	69.5	44.8	43.1	-71.7
Hosiery, n.e.c.	1,518.2	1,575.7	1,516.6	1,324.5	+14.6
Men's finished seamless hosiery (sizes 10 or larger)	723.3	760.6	731.2	655.0	+10.4
All other finished hosiery, n.e.c.	545.5	564.9	523.8	452.1	+20.7
Hosiery shipped in the greige, n.e.c.	183.6	177.6	187.3	155.6	+18.0
Hosiery, n.e.c., n.s.k., except women's full-length & knee-length	65.8	72.6	74.2	61.9	+ 6.3

n.e.c. not elsewhere classified
n.s.k. not specified by kind

Source: U.S. Bureau of the Census;
Annual Survey of Manufactures (MA85(AS)2)

Women's hosiery shipments, particularly hosiery shipped in the greige, are concentrated among large companies. The following covers the percent of shipments of specified types by all producing plants. The top 8 companies operating women's hosiery mills accounted for 67% of shipments in 1982, the latest year covered in Census Bureau reports. Production of men's hosiery, and other hosiery knit on less than 300 needles, is much less concentrated.

Share of Value of Specified Hosiery Shipments By All Producers Accounted For By the Largest Companies: 1982
(Value in millions of dollars)

	Total Shipments	% Accounted For By Largest Companies Top 4	Top 8	20 Largest	50 Largest
Women's hosiery, except socks	$1,425.3	59%	67%	78%	92%
Finished seamless hosiery, full-length & knee-length (except pantyhose)	353.4	38	50	74	95
Finished pantyhose	943.2	74	81	92	100
Hosiery shipped in the greige	85.6	50	71	96	100
Hosiery, except socks, n.e.c. (tights, seamed hosiery, etc.)	43.1		(not reported)		

(continued)

PRODUCT SHIPMENTS: VALUE

Share of Value of Specified Hosiery Shipments By All Producers Accounted For By the Largest Companies: 1982
(Value in millions of dollars)
(continued)

	Total Shipments	% Accounted For By Largest Companies			
		Top 4	Top 8	20 Largest	50 Largest
Other hosiery (men's, boys', girls', hosiery/legwear; women's socks)	1,324.5	20	29	46	66
Men's finished seamless (size 10 & up)	655.0	23	35	57	82
All other finished seamless hosiery	452.1	23	34	57	84
Seamless hosiery shipped in the greige, except women's full-length & knee-length	155.6	44	55	73	95
Other hosiery, n.e.c.	61.9		(not reported)		

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census: Census of Manufactures, 1982 Concentration Ratios in Manufacturing (MC82-S-7)

PRODUCER PRICE LEVELS

Bureau of Labor Statistics indexes measuring changes in U.S. factory price levels for hosiery were quite stable in 1987, except for types of infants' and children's hosiery.

Producer (Factory) Price Indexes: December 1987

	Index Base	Index Dec. 1987	% Change Dec. 1987/86
Women's hosiery:			
Full-fashioned	6/84	100.0	-0-
Finished seamless & simulated seamed hosiery	6/84	101.8	+ 0.9%
Unfinished seamless & simulated seamed hosiery	6/84	101.8	+ 0.3
Men's hosiery:			
Finished	12/77	158.9	+ 0.9
Unfinished	6/84	102.2	+ 3.0
Infants' & children's:			
Anklets	6/84	102.1	- 0.9
Knee-highs	12/77	139.0	- 0.1
Other finished hosiery	6/84	101.6	+ 5.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

FOREIGN TRADE

Based on reported information covering hosiery shipments by U.S. producers, exports, and imports, the total new supply of hosiery available in the U.S. market in 1987 is estimated at 315.2 million dozen pairs, about 2% below the 1986 total. Imports, which were down 0.8% in quantity, accounted for 3.8% of 1987 supply, 3.7% in 1986.

Import penetration varies by product type. In pantyhose they represented an estimated 4.4% of 1987 supply, vs. 3.9% in 1986. According to MRCA Information Services, based on purchases tracked among a nationwide sample of households, imports accounted for about 23% of women's leotards and tights purchased in 1987, up from 16% in 1986. Imported women's socks are estimated at 5-to-6% of the market (in pairs), with their share of men's socks at about 3-to-4%.

Estimated Share of Total New Supply Accounted For By Imports: 1986, 1987
(Quantity in thousand dozen pairs)

	1987	1986	% Change 1987/86
Pantyhose:			
Shipments	106,274	110,894	- 4.2%
Plus U.S. imports	4,892	4,332	+ 12.9
Minus exports	696	971	- 28.3
Supply	110,470	114,255	- 3.3
Imports % of supply	4.4%	3.9%	
Other hosiery:			
Shipments	202,619	202,350	+ 0.1%
Plus U.S. imports	7,025	7,680	- 8.5
Minus exports	4,940	2,971	+ 66.3
Supply	204,704	207,059	- 1.1
Imports % of supply	3.4%	3.7%	
Total supply	315,174	321,314	- 1.9
Imports	11,917	12,012	- 0.8
Imports % of supply	3.8%	3.7%	

Source: Based on Census Bureau & NAHM reports

The U.S. enjoyed a very favorable trade balance in hosiery up to 1984. From an excess of exports over imports of 985 thousand dozen pairs in 1983, the picture reversed in 1984 as exports declined and imports gained, exceeding exports by 2,993 thousand dozen pairs that year. This deficit climbed each year, peaking at 8,070 thousand dozen pairs in 1986.

FOREIGN TRADE

Competition from countries with high-tech production equipment, particularly Japan, was a factor in the loss of foreign markets initially, then augmented by the strong U.S. dollar which made U.S. hosiery relatively expensive in foreign markets. Now, however, the devalued dollar is making the U.S. more competitive overseas and exports in 1987 registerd a strong 43% gain in quantity, reversing the 0.2% decline reported by the Census Bureau for 1986. With a slight drop (0.8%) in hosiery imports in 1987 compared with 1986, the trade deficit fell to 6,281 thousand dozen pairs.

As noted in the following table, 807 operations are included in the import data. These are imports under U.S. Tariff regulations which allow Caribbean Basin countries to assemble hosiery from components shipped to them by U.S. manufacturers, then pay duty only on the value added in the assembly process when the finished hosiery is shipped to the U.S. These shipments account for much of the growth in imports of pantyhose. Production of hosiery by U.S. manufacturers in their overseas mills is another factor in import growth.

Other than the 807 suppliers, Israel, Taiwan and South Korea are major sources for pantyhose. The United Kingdom, Japan and Canada are leading suppliers of wool hosiery. South Korea ranks first as a source of cotton hosiery.

While hosiery imports in 1987 were down 0.8%, as noted above, U.S. industry shipments in total declined 1.4% in quantity. From 1981-1985 the largest import growth rate occurred in socks, but pantyhose has taken the lead. The 1987 total of man-made fiber pantyhose imports, rose 12.9% over 1986, following a 79% jump the previous year.

Manmade fiber socks and hosiery other than pantyhose comprised the largest major category of 1987 hosiery imports, representing 48% of the total. Pantyhose ranked next, with a 41% share. Comparable shares in 1986 were 49% and 36%, respectively. While accounting for only 8.6% of 1987 imports, cotton hosiery has registered the greatest jump in imports since 1982, as noted in the next table.

The U.S. industry is responding to the import challenge by installing advanced equipment. The industry is also being encouraged by the National Association of Hosiery Manufacturers to become more invovled with Quick Response and Just-In-Time programs with their customers and suppliers. Because of early experience with UPC (the Universal Product Code) electronic coding in dealing with supermarkets, some mills have a head start in these operations, and more are getting involved.

The growing importance of legwear of many types as fashion accessories, which demands rapid change in production and shipments schedules, while adding to the problems of U.S. mills, gives an edge over imports with their delayed delivery schedules, as well as uncertainties related to political developments in foreign supplying countries, such as in South Korea last year.

The fashion aspect of U.S. hosiery, plus favorable pricing, helps exports. Our best customers in 1987 (excluding the 807 operations) included Chile, Canada, United Arab Emirates and West Germany.

U.S. Trade in Hosiery: 1982, 1984-1987

IMPORTS:	Thousand Dozen Pairs					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total imports*	11,917	12,012	10,482	6,221	2,294	- 0.8%	+ 419.5%
Pantyhose	4,892	4,332	2,421	1,663	1,146	+ 12.9	+ 326.9
Other hosiery:	7,025	7,680	8,059	4,558	1,148	- 8.5	+ 511.9
Cotton & other vegetable fibers	1,027	1,494	1,160	695	85	- 31.3	+1,108.2
Wool	275	277	279	193	91	- 0.7	+ 202.2
Man-made fiber	5,722	5,908	6,620	3,670	972	- 3.1	+ 488.7

	Customs Value (thousands of dollars)					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total imports**	$80,115	$75,077	$66,020	$38,733	$14,558	+ 6.7%	+ 450.3%
Pantyhose	31,223	28,106	15,256	10,629	6,163	+ 11.1	+ 406.6
Other hosiery:	48,892	46,971	50,764	28,104	8,395	+ 4.1	+ 482.4
Cotton & other vegetable fibers	11,858	11,965	10,871	7,184	1,090	- 0.9	+ 988.0
Wool	8,456	7,249	6,086	4,223	2,298	+ 16.6	+ 268.0
Man-made fiber	28,578	27,757	33,807	16,697	5,007	+ 3.0	+ 470.8

EXPORTS:	Thousand Dozen Pairs					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total exports	5,636	3,942	2,959	3,228	5,646	+ 43.0%	- 0.2%
Pantyhose	696	971	635	686	1,159	- 28.3	- 39.9
Women's full- and knee-length hosiery	3,042	1,261	519	713	1,126	+141.2	+170.1
Other hosiery	1,898	1,719	1,805	1,829	3,361	+ 11.0	- 43.5

	Customs Value (thousands of dollars)					% Change	
	1987	1986	1985	1984	1982	1987/86	1987/82
Total value	$40,839	$34,558	$27,665	$29,735	$48,441	+ 18.2%	- 15.7%
Pantyhose	9,422	11,546	6,670	6,578	9,884	- 18.4	- 4.7
Women's full- and knee-length hosiery	14,271	6,648	4,005	6,141	9,685	+114.7	+ 47.3
Other hosiery	17,146	16,364	16,990	17,016	28,872	+ 4.8	- 40.6

* Imports include hosiery assembled abroad with USA components (807 transactions), primarily represented by pantyhose from Jamaica, Columbia, Costa Rica. In 1987, these imports accounted for 51% of total pairs of pantyhose imported by the U.S., and 50% of the total reported value of imports. The primary soucre was Jamaica, which had a 44.5% share of the quantity and 31.9% of the value of pantyhose imported by the U.S. (The expected components are counted in the export data.)

** As valued for customs purposes. Does not include duties, freight or insurance.

Source: NAHM based on U.S. Bureau of the Census reports

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Population Projections - 1988, 1994, 2005
(Middle series*)

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
MALE							
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 2 years	3,933	3,735	3,585	- 8.8	3.3	3.0	2.7
2 - 4 years	5,807	5,798	5,346	- 7.9	4.9	4.6	4.0
5 - 9 years	9,197	9,895	9,094	- 1.1	7.7	7.8	6.8
10 - 15 years	9,940	11,465	11,698	+17.6	8.3	9.1	8.7
16 years & over	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16 - 19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20 - 34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35 - 54	29,134	36,206	40,769	+24.3	24.4	28.6	30.4
55 - 64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & over	12,201	13,441	14,271	+10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--
FEMALE							
Total, all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 2 years	3,748	3,561	3,418	- 8.8	3.0	2.7	2.4
2 - 4 years	5,540	5,526	5,100	- 7.9	4.4	4.1	3.6
5 - 9 years	8,786	9,443	8,768	- 0.2	7.0	7.1	6.2
10 - 15 years	9,500	10,954	11,167	+17.5	7.5	8.2	7.9
16 years & over	98,337	103,710	113,016	+ 5.5	78.1	77.9	80.0
16 - 19	7,161	6,517	7,708	- 9.0	5.7	4.9	5.5
20 - 34	31,141	28,497	26,706	- 8.5	24.7	21.4	18.9
35 - 54	30,236	37,190	41,249	+23.0	24.0	27.9	29.2
55 - 64	11,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	18,330	20,447	21,957	+11.5	14.6	15.3	15.5
Median age (years)	33.6	35.9	39.2	+ 6.8	--	--	--

* Middle of a series of three projections, each based on alternative assumptions as to future fertility, mortality, and net immigration levels. Includes Armed Forces overseas. (Totals may not add to 100% due to rounding.)

Source: U.S. Bureau of the Census,
Current Population Reports,
Series P-25, No. 952 (May 1984)

THE POTENTIAL MARKET

Consumption

In spite of the increased importance of fashion in hosiery, the greater variety of selections, and a more affluent market offered by the increase in working women, per capita consumption of hosiery has fluctuated within fairly narrow limits.

Based on annual shipments by U.S. mills, adjusted for imports and exports, and population counts reported by the Census Bureau, the NAHM placed per capita consumption in 1987 of all types of hosiery at 15.7 pairs. This was down from the peak of 16.2 pairs reported for 1986, and even with the average reported in 1979. In the recession year 1982, per capita consumption was 14.9 pairs. In 1987 compared with 1980, hosiery supply on the U.S. market was up 11.8%; the population gain was 8.7%.

In women's hosiery, per capita consumption of pantyhose in 1987 was reported at 13.5 pairs, down from 14.1 in 1986, and from the peak of 15.1 pairs reported in 1983. The 1987 average was the lowest since 1981, when it was reported at 13.2. Per capita consumption of stockings dwindled from 0.9 in 1978 to 0.4 pairs in each of the past three years. Consumption of other women's hosiery peaked at 6.1 pairs in 1986, then dropped to 5.1 in 1987 -- the lowest figure since 1981.

Consumption of men's hosiery of all types peaked in 1978, at 10.9 pairs per male age 15 or older. In 1987, the average was reported at 8.9 compared with 9.2 in 1986. The 1987 average was the lowest reported since 1982's average of 8.5 pairs per male consumer.

Per Capita Consumption (Pairs) of Hosiery By Size Groupings Based on Supply*

Year	Total Pairs	Infants'/ Children's Sizes 3-8 1/2**	Boys', Girls', Misses' Sizes 8-11***	Women's#	Men's##
1987	15.7	9.9	20.9	19.0	8.9
1986	16.2	9.7	19.0	20.6	9.2
1985	15.9	9.2	17.3	20.6	9.4
1984	16.0	9.8	16.4	20.4	9.7
1983	15.9	8.8	16.4	21.0	9.1
1982	14.9	9.0	14.7	19.7	8.5
1981	15.9	10.7	17.6	19.2	9.6
1980	15.2	10.2	15.1	19.3	9.1

* Shipments by U.S. mills plus imports, less exports. See page 11 for the NAHM definition of hosiery classification.
** Based on boys and girls through 9 years of age.
***Based on males and females 10 to 14, and females 15 to 24 years of age.
# Based on females age 15 and over.
## Based on males age 15 and over.

Source: National Association of Hosiery Manufacturers

In viewing the outlook for hosiery consumption, Kurt Salmon Associates has projected an increase of 4% in 1988 compared with 1987. The gains, however, will be concentrated, as they have been in recent years, in socks, both for males and females. Pantyhose consumption is expected to be flat.

THE POTENTIAL MARKET

Consumption (continued)

Year-to-Year Changes in Units Purchased By Consumers

	Actual		Estimated	Projected
	1985/84	1986/85	1987/86	1988/87
Hosiery, total	+ 4%	-0-	+ 4%	+ 4%
Women's pantyhose & sheers	+ 8	- 4%	- 1	-0-
Socks, female	+ 4	+ 7	+ 9	+ 5
Socks, male	+ 3	- 3	+ 4	+ 4

Source: Kurt Salmon Associates: The KSA Perspective: 1988 Outlook

RETAIL SALES

Official figures on total sales of hosiery are not collected. However, trade reports and consumer purchase tracking studies indicate a total retail value of about $5 billion in 1987. The average retail price per pair has been sliding due to two factors--first, the growth in consumer purchases of socks has been greater than purchases of pantyhose and stockings, and socks generally have a lower per unit price (although fashion developments have generated some trading up). Even more important, according to a report at the Catawba Valley Hosiery Association's Focus '88 meeting in October 1987, in bringing down the average unit price of hosiery is the high-volume turnover at discount stores. These outlets were credited with selling 47% of all hosiery sold in the U.S.

Overall women's hosiery accounts for about 65% of total hosiery retail dollar volume; men's about 23%; the balance, hosiery for boys, girls, infants. An analysis of hosiery purchases by KSA/NPD for the National Associ- ation of Hosiery Manufacturers covering 1986 showed purchases of women's socks (except knee socks) increasing 18% a year from 1984 through 1986, in dollar value. Knee sock volume, however, declined an average 23% per year in this period. Pantyhose sales were down 6%.

In 1986, according to KSA/NPD, department stores accounted for 13% of women's sock and hosiery dollar spending; specialty stores, 8.2%; national chains (Sears, Ward, Penney), 9.3%; discount stores, 27.9%; grocery/drug stores, 25.4%; other outlets, 16.2%. For women's panty hose, alone, the comparable percentages were: department stores, 13.6%; specialty stores, 7.2%; national chains, 8.0%; discount stores, 23.3%; grocery/drug stores, 31.1%; other outlets, 16.7%. Discount stores accounted for 44% of spending for women's socks; specialty stores, 11.6%; department stores, 11.1%; national chains, 10.6%; grocery/drug stores, 15.3%.

The trade publication, Supermarket Business estimated spending for specified types of hosiery in grocery stores at $844.3 million in 1986 vs. $812.5 million in 1985. Sales were reported as follows:

Spending For Hosiery in Grocery Stores: 1985, 1986
(Thousands of dollars)

	1986	1983
Men's socks	$ 63,231	$ 56,608
Pantyhose	764,635	738,778
Stockings	16,429	17,078

Source: Supermarket Business (September 1987)

RETAIL SALES

Details on unit purchases of hosiery, based on the KSA/NPD tracking studies, are covered in the CONSUMER BUYING PATTERNS section of this Fact File.

RETAIL MERCHANDISING & OPERATING RESULTS

Women's Hosiery Departments

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family apparel stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Women's Hosiery Department Merchandising & Operating Results, 1986
Compared With Total Adult Female Accessories Division
(Selected median results)

WOMEN'S/FAMILY SPECIALTY STORES (With Total Sales Over $1 Million)	Mdse. Division: Adult Female Accessories (17)*	Department: Women's Hosiery (14)*
Cumulative markon %	51.9	50.2
Markdowns - % of net retail sales	17.9	12.1
Gross margin (incl. cash discounts) % of net sales	44.2	44.1
Stock turns (times) at retail	2.6	2.6
Net sales % change from 1985	+ 0.9	+ 1.2
Net sales % of total store	9.2	1.7
$ sales per sq. ft. of selling space (main or largest selling unit)	$160.00	$184.00

DEPARTMENT STORES (With Total Sales Over $2 Million)	Mdse. Division: Adult Female Accessories (60)*	Department: Women's Hosiery (58)*
Cumulative markon %	53.7	50.2
Markdowns - % of net retail sales	13.5	10.0
Gross margin (incl. cash discounts) % of net sales	46.5	45.0
Stock turns (times) at retail	2.7	2.5
Net sales % change from 1985	+ 6.7	+ 7.3
Net sales % of total store	8.0	1.6
$ sales per sq. ft. of selling space (main or largest selling unit)	$179.00	$151.00

* Number of companies reporting.

Source: National Retail Merchants Association:
Department Store & Specialty Store
Merchandising & Operating Results in 1986

RETAIL MERCHANDISING & OPERATING RESULTS

Men's Hosiery Departments

Based on responses in a mail survey among men's wear stores on operating experiences by merchandise classification in 1986, the following are selected results on men's hosiery. The figures reported below are medians for reporting firms, designed to serve as a guide for retailers rathern than represent total industry performance.

Typical Operating Results in Men's Hosiery in Men's Wear Stores, 1986
(Median results)

	Total Reporting Firms		Firms Handling Men's Wear Only		Firms Handling Women's Wear	
Men's hosiery:						
% to total furnishings sales	5.9	(84)	6.2	(39)	5.6	(45)
% to total store sales	1.0	(85)	1.3	(40)	0.9	(45)
% change in sales 1986/1985	+ 3.1	(75)	+ 4.7	(34)	+ 0.4	(41)
Markdowns-% of sales	4.3	(66)	3.0	(26)	5.0	(40)
Inventory turnover	2.0	(54)	1.4	(24)	2.0	(30)

Note: Figures in parentheses are the numbers of firms reporting data.

Source: Menswear Retailers of America,
MRA Annual Business Survey
(All rights reserved)

RETAIL ADVERTISING

The pattern in newspaper advertising run by retailers in 1984 and 1986 is tracked by the Advertising Checking Bureau.

Women's Hosiery Ad Linage in Newspapers: 1984, 1986
(Percent of annual total by months)

	Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1984	100.0%	9.3	11.2	8.4	8.2	9.5	2.8	6.4	5.9	11.6	10.6	8.6	7.5
1986	100.0%	6.2	7.6	11.6	9.3	6.1	3.7	4.2	6.0	13.0	15.4	8.6	8.3

Source: Newspaper Advertising Bureau, Inc.:
Newspaper Advertising Planbooks, based on
ACB, 1984, 1986

CONSUMER BUYING PATTERNS

An analysis of the total consumer market for hosiery by MRCA Information Services shows that women account for over 70% of the hosiery units sold, regardless of the end user. When purchasing hosiery for themselves, men tend to pay a higher price for hosiery than noted in women's purchases of hosiery for men.

Female Hosiery/Legwear

The monthly potential market for specified types of women's hosiery/legwear is indicated in findings by MRCA Information Services on the average purchase rate per thousand households found on the basis of their purchase tracking studies among a nationwide panel of households.

Reflecting the gift market, purchases of pantyhose/tights and of socks peaked in December, according to a report based on this source covering the year 1984, which was published by the Newspaper Advertising Bureau.

Average Purchase Rate (Units) of Specified Hosiery/Legwear
Per 1,000 Households

	Pantyhose/Tights	Hosiery/Socks
Monthly average, 1984	962.5	668.6
January	915.2	568.2
February	888.7	623.3
March	1,199.4	751.4
April	1,014.3	597.4
May	988.2	621.9
June	941.6	735.8
July	577.5	541.0
August	812.2	541.6
September	1,089.3	733.4
October	862.8	641.1
November	941.3	701.6
December	1,219.9	966.1

Source: Newspaper Advertising Bureau: 1988 Advertising Planbook; MRCA Information Services

In October 1986, Seventeen Magazine conducted a survey on apparel purchases made by teenage girls in preparation for going back to school. Results of the survey were projected to a total U.S. population of 12,289,000 girls age 13-19 in the U.S.

The following summarizes information reported on hosiery purchases.

Female Hosiery/Legwear (continued)

Teen Girls' Hosiery Purchases For Back-To-School

	Girls Purchasing		Pairs (000)		Expenditures	
	No.	%	No.	%	Thous. $	%
Hosiery	11,360	100.0%	137,237	100.0%	$436,008	100.0%
Pantyhose	9,711	85.5	39,705	28.9	109,903	25.2
Socks	10,149	89.3	59,784	43.6	155,426	35.6
Ankle	7,142	62.9	33,178	24.2	86,476	19.8
Crew	4,424	38.9	19,697	14.3	53,964	12.4
Knee-length	2,006	17.7	6,909	5.0	14,986	3.4
Knee-length stockings	4,835	42.6	26,865	19.6	45,891	10.5
Leotards	1,804	15.9	2,932	2.1	44,866	10.3
Tights	1,954	17.2	3,081	2.2	21,949	5.0
Leggings	1,546	13.6	3,400	2.5	50,816	11.6
Legwarmers	891	7.8	1,458	1.1	7,096	1.6
Other hosiery/legwear	12	0.1	12	*	61	*

* Less than 0.1%

Source: Seventeen's Back-To-School Study: 1986

In July 1986, Seventeen conducted a mail survey among 3,000 members of their Consumer Panel, on purchases for their Spring/Summer 1986 wardrobes. The following reflects projections to the U.S. population of girls age 13-19 years.

Teen Girls' Hosiery Purchases for Spring/Summer, 1986

	Girls Purchasing		Pairs (000)		Expenditures	
	No.	%	No.	%	Thous. $	%
Hosiery	11,064	100.0%	111,426	100.0%	$390,928	100.0%
Pantyhose	9,364	84.6	38,524	34.6	121,066	31.1
Socks	8,900	80.4	44,894	40.3	119,259	30.5
Knee-length stockings	3,995	36.1	19,894	17.8	53,243	13.6
Leotards	1,380	12.5	2,707	2.4	49,870	12.7
Tights	1,364	12.3	2,697	2.4	18,599	4.8
Leggings	879	7.9	1,484	1.3	21,462	5.5
Legwarmers & other	727	6.6	1,226	1.1	7,429	1.9

Source: Seventeen's Spring/Summer Apparel Study: 1986

The following information on purchases of specified types of female hosiery for the years 1986 and 1987 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on an on-going monthly panel tracking the purchases of 11,5000 nationally representative families.

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

The following information highlights KSA/NPD findings on purchases of specified types of hosiery for women and for girls. Not included are such legwear items as leotards, tights, legwarmers, etc.

Unit purchases reported for covered types of women's and girls hosiery socks in 1987 were 13.6% greater than in 1986. Women's sock purchases registered a strong gain of almost 21%, while other hosiery (mostly pantyhose) registered a 1.1% decline. Purchases of socks for girls age 3 to 13 years were up 3.8% in 1987 over 1986, while purchases of other types of hosiery for girls declined 7.8%.

Female Hosiery Purchases: 1986, 1987
Style Share Trends & Sales Change, 1987/1986

	% of Units		% Change
	1987	1986	1987/86
Hosiery for women age 14 years & over, total	100.0%	100.0%	
Socks	24.9	21.5	+ 20.8%
Other hosiery	75.1	78.5	- 1.1
Types of socks & other hosiery:			
Socks, total	100.0%	100.0%	+ 20.8
Anklets	60.4	54.4	+ 34.3
Knee-highs	17.3	25.5	- 17.9
Crew/calf	14.0	10.0	+ 69.0
Foot/ped	3.9	6.1	- 22.6
Other	4.4	4.0	+ 30.1
Other hosiery, total	100.0%	100.0%	
Pantyhose/stockings	75.4	75.2	- 0.9
Sheer knee-highs/anklets	24.6	24.8	- 1.8
Hosiery for girls age 3-13 years, total	100.0%	100.0%	
Socks	84.1	82.7	+ 3.8
Other hosiery	15.9	17.3	- 7.8
Types of socks & other hosiery:			
Socks, total	100.0%	100.0%	+ 3.8
Anklets	67.7	64.7	+ 8.5
Knee-highs	15.7	20.5	- 20.6
Crew/calf	12.0	10.8	+ 15.5
Foot/ped	1.1	1.1	+ 10.7
Other	3.5	2.9	+ 23.6
Other hosiery, total	100.0%	100.0%	- 7.8
Pantyhose/stockings	31.2	30.0	- 4.1
Sheer knee-highs/anklets	68.8	70.0	- 9.3
Total, above hosiery for women & girls	--	--	+ 13.6

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

Women purchase over 70% of the hosiery units sold, whether or not they are the end users, according to a recent study by MRCA Information Services presented at the Catawba Valley Hosiery Association's Focus '88 Convention. Also, women account for over half of the growth in sales in the athletic socks market in the past three years, with 66% of the athletic styles sold not being used for any sports-related activity. Tube or athletic-type socks are the leading type sold, accounting for 50% of all socks.

The tremendous growth in women's participation in fitness activities such as aerobics and dance, as well as in the number who like the look of fitness apparel for leisure and street wear, has changed the merchandising of leotards and tights. With the great demand for fashion variety and color and the increasingly competitive nature of the market as more suppliers and retailers entered the fray, the merchandising of bodywear has stretched beyond its tradtitional place in or adjoining the hosiery department in major stores. The classification plays an important role in activewear departments in many stores, as well as holding its own in separate shops.

Body dress, or streetwear with stretch, offered in sportswear colors -- often with matching skirts or other accessories has become increasingly popular. A major supplier of bodywear, Danskin (a division of Esmark), with reported sales of about $70 million, offers a complete head-to-toe dressing program with stretch apparel called Leg Currents and Body Currents.

Ties with professional athletes are being developed to an increasing extent, and this might be expected to grow with the advent of the Summer Olympics in 1988. The Reebok line of bodywear is extensive. Sporting goods stores have joined the traditional suppliers -- department and specialty stores -- as a retail outlet for fashion tights and leotards. The latter outlets have leaned on designer names and celebrity names, such as the Barysknikov line.

Legwear and bodywear manufacturers, as well as other hosiery manufacturers, are encouraged by the current trend to multiple skirt lengths and to component dressing, which encourages multiple purchases.

Within the women's socks category a growing preference for cotton is noted. In anklets, the most important type, almost 78% of the anklets purchased in 1987 were all cotton or primarily cotton -- up from less than 70% in 1986. As noted in the previous table, total purchases of women's anklets were up 34.3%.

Cotton knee-highs also grew in popularity, representing 17.2% of knee-highs purchased in 1987 vs. 14.5% in 1986. Overall, however, knee-high purchases were down almost 18%.

The Growing Importance of Cotton in Women's Socks

	% of Units Primarily Cotton	
	1987	1986
Women's socks:		
Anklets	77.7%	69.7%
Knee-highs	17.2	14.5
Crew/calf	71.7	60.5
Foot/ped	50.0	45.5

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PATTERNS

Female Hosiery/Legwear (continued)

Based on consumer reports on place of purchase, grocery and drug stores, combined, garnered about one out of three purchases of pantyhose last year. Discount stores had the second biggest slice of the pie -- almost 27% in 1987 -- down from almost 29% in 1986. Gaining in market share last year were the national chains, department stores and specialty stores, and other miscellaneous outlets, including mail order (catalog) sales.

Specialty stores and discount stores increased their share of the women's socks business at the expense of other outlets separately analysed. Discount stores are by far the leading outlet type for women's and girls' socks, based on purchase tracking data.

Outlet & Price Point Share Trends in Female Hosiery: 1986, 1987
(% of Units)

	Women's Socks		Women's Pantyhose		Total Girls' Socks		Girls' Knee Hi Socks	
	1986	1987	1986	1987	1986	1987	1986	1987
Outlets								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Specialty	8.0	9.5	5.7	6.1	7.7	7.7	9.9	6.2
Department	6.3	5.1	7.9	8.2	4.7	4.8	8.5	5.2
National chains (Sears, Ward, Penney)	9.0	8.1	6.0	6.7	14.9	16.0	15.7	15.0
Discount	52.5	55.5	28.7	26.9	60.9	59.5	55.9	59.1
Grocery/Drug	6.4	5.9	33.8	32.7	3.5	1.9	2.1	2.6
Other	17.8	15.9	17.9	19.4	8.3	10.1	7.9	11.9
Price Per Pair								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
$.49 and under	11.1	14.3	4.3	6.9	10.7	11.1	15.0	23.8
.50 - 0.74	14.1	15.5	10.4	9.5	20.4	19.9	16.1	14.9
.74 - .99	24.8	23.7	15.7	16.8	33.5	34.5	27.8	20.6
1.00 - 1.49	23.0	21.9	21.3	19.8	21.5	20.1	24.2	20.8
1.50 - 1.99	14.3	12.7	20.2	18.6	7.6	8.0	9.4	9.6
2.00 - 2.49	4.7	4.3	8.6	8.6	3.3	2.6	4.4	3.7
2.50 and over	8.0	7.6	19.5	19.8	2.9	3.8	3.1	6.6

Source: KSA/NPD Purchase Panel

Male Socks

As noted in the section on women's and girls' hosiery buying patterns, purchases of men's and boys' socks are tracked through an on-going monthly panel of 11,500 nationally representative families.

Purchases of men's and boys' socks (units) in 1987 were up 3.0% compared with 1986. Socks for men (males age 17 and older) were up 3.7%; for boys (age 3 to 16 years), up 1.2%.

CONSUMER BUYING PATTERNS

Male Socks (continued)

Athletic socks for men, which represented only 24% of total men's sock purchases tracked by NPD in 1980 continued to garner a bigger share, reaching 40.5% of the 1987 total compared with 38.4% in 1986. Athletic hosiery pairs purchased for men last year were up 9.3% over the 1986 total. Casual socks represented 22.2% of reported men's sock purchases, and gained 4.8% in 1987.

For boys, casual socks outperformed athletic types with a sales gain of 6.4% vs. 0.7%. Their share of boys' socks purchases went from 35.6% in 1986 to 37.5% last year.

Style Share Trends in Socks Purchased For Men & Boys
Percent Change, 1987/1986

	% of Units		% Change
	1987	1986	1987/86
Socks for men age 17 & older, total	100.0%	100.0%	+ 3.7%
Athletic socks	40.5	38.4	+ 9.3
Casual socks	22.2	21.9	+ 4.8
Dress socks	21.5	22.3	+ 0.1
Work socks	11.4	11.9	- 1.2
Other socks	4.5	5.5	- 4.2
Socks for boys age 3 to 16 years, total	100.0%	100.0%	+ 1.2
Athletic socks	49.2	49.4	+ 0.7
Casual socks	37.5	35.6	+ 6.4
Dress socks	6.3	6.4	- 0.7
Other socks	7.0	8.6	-16.5
Total, men's & boys' socks	--	--	+ 3.0

Source: KSA/NPD Purchase Panel

As noted in women's hosiery, cotton has become increasingly popular in men's socks. Over 69% of men's athletic socks were cotton or primarily cotton in 1987, up from 58% in 1986.

The Growing Importance of Cotton in Men's Socks

	% of Units Primarily Cotton	
	1987	1986
Men's socks:		
Athletic	69.1%	58.0%
Casual socks	46.5	34.5
Dress socks	18.2	16.3
Work socks	67.1	67.5

Source: KSA/NPD Purchase Panel

Male Socks (continued)

Discount stores account for well over half of the purchases of socks for men and boys, according to the KSA/NPD Purchase Panel. They increased their share of boys' sock purchases from 57.5%, based on pairs, in 1986 to 62.6% in 1987. Their share of men's sock purchases went up from 51.9% to 57.1%

Outlet & Price Point Share Trends in Male Socks: 1986, 1987
(% of Units)

	Men's Socks		Boys' Socks	
Outlets	1986	1987	1986	1987
Total	100.0%	100.0%	100.0%	100.0%
Specialty	5.2	5.0	7.2	5.7
Department	9.0	7.3	4.7	4.5
National chains (Sears Ward, Penney)	15.2	12.1	17.2	15.0
Discount	51.9	57.1	57.5	62.6
Grocery/Drug	3.3	3.0	2.4	2.6
Other	15.4	15.5	11.0	9.6
Price Per Pair				
Total	100.0%	100.0%	100.0%	100.0%
$.49 and under	8.2	8.6	12.1	11.6
.50 - 0.74	15.2	15.7	29.1	30.0
.74 - .99	26.0	25.7	35.0	36.0
1.00 - 1.49	23.3	23.1	15.3	13.9
1.50 - 1.99	11.9	11.8	4.6	4.1
2.00 - 2.49	4.7	4.8	1.5	1.6
2.50 and over	10.7	10.3	2.4	2.8

Source: KSA/NPD Purchase Panel

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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TOILETRIES, COSMETICS, FRAGRANCES & BEAUTY AIDS

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TOILETRIES, COSMETICS, FRAGRANCES & BEAUTY AIDS

Market Trends

The cosmetics industry, especially the prestige market, is exhibiting typical characteristics of maturity--shrinking margin, costly battles for market share and a fast trend towards consolidation. The majority of the business in limited distribution is dominated by four companies: Cosmair, Revlon, Avon and Estee Lauder, accounting for 65% of the department store sales. Many marketers are spending more time and effort trying to fit in with the new owners of their companies than in building brands. Research and development of new products is inhibited by high promotion costs.

Sales are relatively slow and advertising has intensified, especially for skin and hair treatments. This is the era of the super launch, such as the $17 million spent by Calvin Klein to launch Obsession. Marketing costs now amount to about 1/3 of manufacturers' costs.

Americans spent $18.9 billion for personal care products (including dental, shaving, mouthwash and other non cosmetic items) in 1986, but the category has not kept pace with the average amount Americans have to spend on discretionary, or non-necessity items, according to Goldman Sachs. There is no

pentup consumer demand in the mature industry to accelerate growth. Makeup comprises about 25% of personal care product sales; fragrance, 19%, toiletries 27%; hair care, 17% and skin care nearly 13% according to Goldman Sachs.

Cosmetic firms are merging and being acquired. Non-cosmetic firms such as pharmaceuticals are selling off their cosmetic divisions. National launches instead of rollouts have become the norm. Retailers are starting their own fragrances, such as Tiffany's. There will be room for some niche players but not much for medium size companies. Industry analysts cite overpricing, inconsistent marketing and insufficient market research for adding to the industry's problems. Prices grew at double the rate of inflation, while unit sales have declined consistently over the past 5 to 7 years. Premiums are being used to negate price increases with excessive and indiscriminate use creating little value and enhancement of image, according to industry executives.

Although growth in the cosmetics industry has been tempered somewhat by the decline in younger consumers (those in their teens and twenties), it may be stimulated by the larger number of older consumers with more disposable income and greater skin and hair treatment needs. Two of the most rapidly growing segments of the U.S. population are the 45-55 and over-65 age groups. These demographic changes open up opportunities for new skin and hair products, including moisturizers, skin lotions, and hair conditioners. Among younger groups, growing numbers of working women, and their need for more time-saving convenience products is fueling the cosmetic and fragrance industry and helping to offset the negative market effect of a declining teen population. The current emphasis on health and fitness also spurs sales because consumers are focusing on their appearance.

In 1987, there was volume growth in skin care, hair care, hair coloring, and foundation products. Skin care products, which currently account for about 1/3 of all cosmetics sold in the U.S., will continue to account for a major share. New treatment chemicals, such as silicones and lipids, are being introduced. Sales of sunscreens that provide greater protection and less tanning are expected to increase, while ethnic products are likely to show the best growth rate.

Market Trends (continued)

A major growth area for the cosmetics industry is the estimated $2.5 to $3 billion ethnic market, comprising about 30 million people. An estimated 5 to 6 million black women work outside the home. Hair and skin care products are sales leaders in this market.

During the past 10 years women have increased their purchases in convenient food, drug and discount stores. Although department stores still controlled 43% of the estimated $7.5 billion spent on all cosmetics and fragrances in 1987, that share has dwindled; drugstores now control 37%; food stores, 7% and discounters, 13%, according to Advertising Age. The retailing sectors are continuing to blur. Gift-with-purchase and other in-store promotions are becoming prevalent in broad outlets, but they are declining in department stores due to overuse. Mass merchants are also starting to use scent and color samplers previously seen more in limited distribution. Another important tool employed in broad distribution are computers used in fixturing such as Clarion applying a method similar to Clinique in department stores.

The outlook for 1988 is for consolidation through acquisitions and mergers to continue. Avenues of distribution will change to some degree, with more companies offering products through mass merchandising channels. More venture capital will become available for new product promotions, and the improvement of products already on the market. Industry productivity and profits will increase slightly. Weaker product lines will disappear, leading to fewer units in 1988.

During the next 3 to 5 years, marketers will revamp the way they do business, according to Goldman Sachs: marketing support programs will be more consistent than in the past, and the 4 to 6 year life cycle of new fragrances will not be accepted.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

The toilet preparations industry, as defined in government reports based on the Standard Industrial Classification system, covers a wide range of personal care products, with U.S. shipments valued at $13.7 billion in 1987.

The complete Census of Manufactures compiled by the U.S. Bureau of the Census every 5 years (the most recent covering 1982) provides the most detailed benchmark data for the U.S. industry. The Annual Survey of Manufactures, covering a sample of plants, are compiled by the Census Bureau in intercensal years to provide key measures of manufacturing activity. In addition, the Census Bureau compiles an annual County Business Patterns report, which also includes U.S. total information on plants by number of employees, supplementing ASM data.

Another government source, the International Trade Administration (U.S. Department of Commerce) issues an annual Industrial Outlook report, which projects industry tends based on Census Bureau compilations.

In 1985, the latest year covered in Census Bureau reports currently available, 645 plants were operating in the toilet preparations industry, down from 652 the previous year. Along with plant closing and consolidations, the industry has stepped up capital expenditures almost 26%, and the new machinery and equipment component rose 43.5%.

GENERAL INDUSTRY STATISTICS

The Toilet Preparations Industry (SIC 2844*)

	1985	1984	1982	% Change 1985/1984
Number of companies	na	na	596	--
Number of establishments (plants)	645**	652**	639	- 1.1%
Number with 20 or more employees	258**	255**	257	+ 1.2
Employees, total (thous.)	59.8	60.9	60.4	- 1.8
Production workers (thous.)	34.7	35.9	35.8	- 3.3
Payroll (mil. $)	$ 1,250.4	$ 1,208.4	$ 1,102.1	+ 3.5
Value added by manufacture# (mil. $)	$ 8,975.6	$ 8,310.0	$ 7,124.4	+ 8.0
Value of industry shipments## (mil. $)	$12,426.9	$11,664.9	$10,183.2	+ 6.5
Capital expenditures, new (mil. $)	$ 291.0	$ 231.3	$ 220.7	+25.8
New machinery & equipment (mil. $)	$ 239.3	$ 166.8	na	+43.5

na not available

* Standard Industrial Classification (SIC) 2844: includes establishments primarily engaged in manufacturing perfumes (including those blending and compounding perfume bases) and cosmetics, creams, lotions, etc. It also includes a large variety of products which are not the primary focus of this Fact File (but cannot be separated out of SIC-based data), such as dentifricis, shaving preparations, mouth washes, shampoos, etc.

** Includes establishments with payroll, as reported in County Business Patterns (U.S. Bureau of the Census).

# Value added by manufacture is derived by subtracting the cost of materials, fuel, etc., from the value of shipments and other receipts, with adjustments for finished and work-in-process inventories. It avoids the duplication in evaluating shipments which results from the use of products of some manufacturing establishments as materials by others, and is, for most purposes, the best measure of individual industries.

## Industry shipments include both products described as primary to the industry, as well as secondary products and miscellaneous receipts. The amounts shown as value of shipments for each industry and for individual products or classes of products are the net selling values, f.o.b. plant, after discounts and allowances, and excluding freight charges and excise taxes. For value of shipments of specific toilet preparations made by all manufacturers, including those making them as secondary products, see the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census:
1985 Annual Survey of Manufactures

Industry Trends

Based on the Census Bureau's 1985 Annual Survey of Manufactures, the International Trade Administration has compiled estimates on the value of industry shipments in 1986 and 1987, in terms of both current and constant dollars, and a forecast for 1988 (constant dollar basis). These estimates are summarized in the following table.

Industry Trends (continued)

The Toilet Preparations Industry (SIC 2844) Trends, 1985-1988
(Values in millions of dollars)

	1988(e)	1987	1986	1985	% Change 1987/86	% Change Forecast 1988/87
Value of industry shipments:						
Current $	--	$13,650	$13,050	$12,427	+ 4.6%	--
Constant (1982) $	$10,830	10,500	10,187	10,119	+ 3.1	+ 3.1%

(e) estimated

Source: U.S. Department of Commerce:
Bureau of the Census and International Trade Administration

Employment & Earnings

In 1987, 69.9 million persons were employed in the toilet goods industry, a gain of 7.7% from 1986. The rate of growth for production workers (about 2/3 of industry employees) was even larger, a gain of 8.0 % from 1986 to 1987. Average weekly overtime hours dropped 4.2%, however. (BLS figures on employment differ from Census Bureau figures due to differences in methodology in data compilation.)

Employment & Earnings in the Toilet Preparations Industry: 1985-1987

	Annual Averages 1987(p)	1986	1985	% Change 1987/86
All employees (thous.)	69.9	64.9	67.6	+ 7.7%
Production workers (thous.)	48.3	44.7	46.0	+ 8.0
Average weekly earnings	$367.35	$350.88	$336.65	+ 4.7
Average hourly earnings	$ 9.30	$ 9.02	$ 8.61	+ 3.1
Average weekly hours	39.5	38.9	39.1	+ 1.5
Average weekly overtime hrs.	2.3	2.4	2.0	- 4.2

(p) preliminary

Source: U.S. Bureau of Labor Statistics:
Employment & Earnings

Location of the Industry

The top four states represented 52.9% of total shipments and accounted for 55.3% of all plants in 1982. The value of toiletry shipments for New Jersey, the leading state, represented 21.2% of all industry shipments. California led in the number of establishments (115), but held only a 5.4 % share of industry shipments.

GENERAL INDUSTRY STATISTICS

Location of the Industry (continued)

Leading States in the Toilet Preparations Industry, 1982

	Value of Industry Shipments		Establishments	
	Mil. $	% of Total	Number	% of Total
Industry shipments, U.S. total	$10,183.2	100.0%	639	100.0%
Leading states:				
New Jersey	2,154.7	21.2	82	12.8
New York	1,437.6	14.1	114	17.8
Illinois	1,244.8	12.2	43	6.7
California	549.7	5.4	115	18.0

Source: U.S. Bureau of the Census:
1982 Census of Manufactures

Concentration in the Industry

According to Sales & Marketing Management's latest study, in 1987, there was a total of 648 plants with $13,765.5 million in shipments of toilet preparations and other receipts. Large plants with 100 or more employees represented only 22.2% of total plants but accounted for 87% of industry shipments - reflecting the increased consolidation that has taken place in the last few years.

Big Employers (Plants) & Their Share of The Toilet Preparations Industry Shipments, 1987

Number of Plants	
Total	648
With 100+ Employees	114
Large Plants % Of Total	22.2%
Estimated Shipments	$13,765.5
Percent in Large Establishments	87%

Source: Sales & Marketing Management
"Survey of Industrial & Commercial Buying Power"
April 1988. All rights reserved.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

Number of Manufacturing Plants in the Toilet Preparations Industry By Employment Size, 1985

	Establishments		Employment (Mid-March)	
	Number	%	Number	%
Number of plants, total	645	100.0%	59,890	100.0%
By employment size:				
Under 10 employees	304	47.2	1,058	1.8
10-49 employees	186	28.8	4,315	7.2
50-99 employees	48	7.4	3,424	5.7
100-499 employees	70	10.9	17,704	29.6
500 or more employees	37	5.7	33,389	55.7

Source: U.S. Bureau of the Census,
County Business Patterns 1985

The 1982 Census covered detailed information on concentration in manufacturing not available in later sources.

The Toilet Preparations Industry By Employment Size, 1982

	Establishments		Value Added By Manufacture		Industry Shipments	
	Number	%	Mil. $	%	Mil. $	%
Toilet preparations, total	639	100.0%	$7,124.4	100.0%	$10,183.2	100.0%
By establishment size--						
Number of employees:						
Under 50	483	75.6	335.7	4.7	525.5	5.1
50 - 99	48	7.5	209.0	2.9	377.8	3.7
100 - 249	38	5.9	383.2	5.4	649.5	6.4
250 - 499	33	5.2	1,688.5	23.7	2,465.7	24.2
500 or more	37	5.8	4,508.1	63.3	6,164.7	60.5

Source: U.S. Bureau of the Census,
1982 Census of Manufactures,
(MC82-I-28D)

According to the 1982 Census of Manufactures, of the 596 companies classified in the toilet preparations industry (SIC 2844), 102 were multi-unit companies, operating 145 plants (out of a total of 639). These companies accounted for 79.1% of total employment in the industry, 89.6% of value added by manufacture within the industry, and 88.6% of industry shipments.

INDUSTRY CONCENTRATION

Share of Industry Shipments Accounted For By the Largest Manufacturing Companies: 1982

	Value of Industry Shipments*					
	No. of Companies	Total (Mil. $)	% Accounted for by Largest Companies			
Industry			Top 4	Top 8	Top 20	Top 50
Toilet Preparations	596	10,183.2	34	49	71	88

* Includes the value of shipments of toilet preparations as well as secondary products, plus miscellaneous receipts for contract work, etc., by mills classified in this industry.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures; Concentration Ratios in Manufacturing (MC82-S-7)

LEADING MANUFACTURERS

In 1987 alone, more than $1 billion was spent on acquisitions as companies responded to declining margins by selling off their cosmetics and beauty businesses. Analysts are predicting that industry consolidation will continue until only the cosmetics giants and a few entrepreneurial niche marketers remain. Some companies prefer to pay a hefty premium for existing brands with market share rather than attempt to launch new entries into a saturated market where only one in three new products will survive more than two years according to Salomon Brothers. When major firms pick up well-established brands, they typically receive a fresh infusion of marketing support, but at the same time, consolidation could hinder innovation. In addition, the toiletries and beauty aids industry is very mature and it is increasingly difficult to create new products with a definable difference.

One of the first big takeovers occurred late in 1985 when Pantry Pride bought Revlon Inc. and changed its name to Revlon Group. Continuing its buying spree in 1986, they purchased Max Factor, Almay and Halston cosmetics from International Playtex. These additions vaulted Revlon into the top position in mass market cosmetics, according to Advertising Age. Still on the acquisitions trail, Revlon bought Diane Von Furstenberg fragrances from Beecham Group and certain Charles of the Ritz fragrances from Yves St. Laurent. Revlon now has about 15 fragrance brands, and 25% of the mass fragrance market, according to company sources, with brands such as Charlie, Jontue, Enjoli and X'ia X'iang. The company is also spending $10 million to introduce Trouble, a new women's fragrance. Revlon is trying to find market niches for the company's 10 fragrance brands that are specific enough not to cannibalize each other.

LEADING MANUFACTURERS

Although the mass market is still the majority of Revlon's sales, the company is trying to become a major player in the department store arena. Currently, Estee Lauder dominates with a market share of about 38%. Revlon's market share is in the teens.

Total Sales and Profits of Leading Cosmetic Manufacturers, 1987
(In millions of dollars)

	Worldwide		% Change 1987/1986	
	Sales	Profits	Sales	Profits
Procter & Gamble	$17,892	$238	+ 8%	-36%
Bristol-Myers	5,401	710	+12	+20
American Cyanamid	4,166	264	+ 9	+30
Eli Lilly	3,644	411	+10	-24
Beecham Group**	3,342	na	na	na
Gillette	3,167	230	+12	+1355
Avon Products	2,763	238	+19%	+58%
Chesebrough/Ponds (Unilever)*	2,730	na	na	na
Revlon Group* **	2,600	na	na	na
Schering-Plough Corp.	2,699	316	+13	+19
Squibb	2,157	358	+21	+83
Estee Lauder*	1,300	na	na	na
Int'l Flav. & Frag.	746	107	+20	+25
Cosmair Inc.* **	725	na	na	na
Faberge*	580	na	na	na
Alberto Culver	535	22	+19	+52
Noxell	489	44	+12	+17
Helen Curtis Ind.***	466	9	+22	-15
Neutrogena	150	18	+43	+79
MEM	71	na	na	na

* Private companies. Sales figures are estimates from industry sources
** 1986 figures
*** 12 mos ending Nov. 30
na not available

Source: BusinessWeek, "Profile of the Top 1000";
The Forbes 500: "40th Annual Report on American Industry"

LEADING MANUFACTURERS

Avon Products became a major factor in the $2 billion retail market for upscale fragrances, by acquiring two fragrance companies, Giorgio Inc. and Parfums Stern, which distributes Perry Ellis, and Oscar de la Renta. Avon was reacting to a changing market: fewer and fewer consumers were home to answer the Avon lady's call. The company faces formidable challenges, however: the style of promotion and advertising in upscale designer brands is very different from Avon's traditional market, and designer fragrances have had flat sales in recent years. On the other hand, the recent introduction of Catherine Deneuve fragrance won the Fragrance Foundation's "Most Successful Launch" award.

Although Avon can provide big company support services, it must assimiliate Giorgio and Stern with out stifling the brands's flexibility and creativity, according to Advertising Age. Meanwhile, Giorgio is adding line extensions and outlets. The brand controls 4.5% of the market according to Allan Mottus & Associates. Avon expects the direct sales business to grow less than 10% next year and for the retail side to exceed that amount.

Procter & Gamble Co. absorbed Richardson Vicks, giving the packaged goods giant control of Oil of Olay, the best selling facial lotion, along with the Vidal Sassoon and Pantene haircare lines as well as other personal care products, according to Advertising Age. Bain de Soleil became the first suncare product in the U.S. for Procter & Gamble, after the line was sold to Richardson Vicks by Revlon, giving P&G the third leading position in the category. Sales in the personal care division were $7,512 million in 1987. Wondra body lotion has a 4% share of the market. Oil of Olay, has a 24.3% share of the facial lotion category. Acne preparations sales grew 2.1% during 1986, and new-product activity is expected to encourage further growth.

In December 1986, Unilever bought Chesebrough-Ponds achieving its goal of establishing itself in the personal care market, a territory it had been unable to crack on its own. Unilever's now owns Pond's and Vaseline Intensive Care lotion - which commands a 20% share of the $500 million hand-and-body lotion category. U.S. sales for Chesebrough were $2.28 billion in 1986, up 23.7%, compared with worldwide sales of $2.73 billion.

Also late in 1986, Squibb sold Charles of the Ritz to Yves St Laurent bringing the toiletries carrying the YSL name directly under the French Designer's control.

Faberge, Inc. announced that it would buy New York-based Elizabeth Arden; which includes the Fendi line and the Karl Lagerfeld fragrances, from Eli Lilly & Co., Indianapolis, for $700 million. In the fiscal year ending January 1987, Faberge recorded total profits of $74 million on $550 million in sales. Volume is projected to rise to $642 million in fiscal 1988, compared with $580 million the year before.

Elizabeth Arden reported sales of $398 million in 1986, and operating profits of 32.6 million. Arden's Fendi for women reached sales of $7 million to $8 million in Bloomingdale's this year and a Fendi for men is scheduled for Europe in 1988. Faberge already sells low-priced toiletries such as Aqua Net hairspray, Faberge Organics Shampoo, and Brut men's cologne. With Arden's classy Chloe and Karl Lagerfeld fragrances, cosmetics, and skin treatment lines, and a dozen beauty salons, Faberge gains entree to the premium priced cosmetics market, according to BusinessWeek. A treatment product is slated for September 1988, and the company is continuing to repackage its make-up products.

LEADING MANUFACTURERS

Arden had been experiencing some problems; while Estee Lauder and Lancome were targeting younger, more upscale buyers, Arden has kept their more matronly clientele. In addition, the company was reported to have angered department stores by selling its prestigious Chloe and Lagerfeld fragrances in mass market outlets, undercuting department store prices.

Four-year old Calvin Klein Cosmetics, owned by Minnetonka, achieved more than $100 million in sales in 1987. The company expects gains of 40-50% as it launches its Eternity scent, as well as launching another product category for its Obsession for women and expanding its distribution of Obsession for Men.

American Cyanamid's Shulton's annual sales were $555 million in 1987. Shulton, which has a very large lead within the men's category already, is spending $5 million to introduce Santa Fe in September 1988. Night Spice was recently launched to complement Old Spice, which captures an older market. Shulton also starts shipping Bleu Marine, the new Pierre Cardin fragrance, in August 1988. Old Spice, targeted at the lower-middle market, remains the largest men's fragrance brand in the world, with wholesale volume topping $180 million, according to Advertising Age. Shulton reshuffled its product lineup in 1987 by selling its Jacqueline Cochran Inc. division to Sanofi. Only the Pierre Cardin line was retained.

Privately held Cosmair, 62% owned by Nestle SA, is the third largest beauty company. The business is primarily divided into four primary divisions: Lancome, L'Oreal, Biotherm, and designer and retail fragrances. The single greatest budget for one line in 1986 went to Lancome cosmetics, which spent $12.8 million in measured media, according to Advertising Age. Lancome's sales rose more than 20% to over $240 million last year. Market share for the line is estimated at more than 11%, ranking behind Estee Lauder and Clinique brands in department store sales. Lancome was one of the brands the FDA asked to change its advertising claims.

Approximate market shares are 30% for L'Oreal versus rival Clairol's 64%. In sales of styling aids, L'Oreal, which pioneered the mousse category, remained the leader with over 13% of the market's share in 1986, down from 15.5% in 1985 for both Free Hold and its new Studio Line, according to Advertising Age. L'Oreal ranked fourth in mass market cosmetics and is strenghtening mascara and eyeshadow products. Cosmair is ranked sixth in fragrance sales through chain drug stores, following Revlon, Unilever's Matchabelli, Squibb's Charles of the Ritz, Pfizer's Coty, and Beecham's Jovan. Cosmair's trio of men's fragrances - Polo, Drakkar Noir and Armani - continue to post healthy gains, each with distinctly different advertising and promotional strategies. Polo sales were estimated at more than $50 million net in 1987. Sales are expected to increase more than 15% in 1988. Four year old Drakkar Noir, which had sales of $25 million in 1987, is expected to achieve gains of 65% in 1988.

Armani fragrance sales in 1987 were $3 million, up 65% on a door-to-door basis.

MEM Corp. is fighting the swirl of new mass market men's fragrances this year with a new advertising campaign and three new extensions of its English Leather fragrance, which has also been repackaged. The scents are available for a limited time only in an attempt to help MEM build a year-round business. English Leather's retail volume is $40 million to $50 million, and the company reported sales of $71.1 million. English Leather's share of the men's fragrance category is 7% compared to 9% for Old Spice.

LEADING MANUFACTURERS

Helene Curtis Industries plans to spend $40 million to introduce its Salon Selectives. The "value-priced"line will be given an upscale image. Curtis is the nation's number 8 haircare marketer, with a 10% share. Last year, the company added styling aids to both the Suave value price line and the Finess premium line.

Colonia, which achieved a wholesale volume of more than $53 million last year markets Gucci fragrances. Volume is expected to reach $70 million wholesale the end of 1988. Collectively the Gucci scents have a wholesale volume of $20 million in the U.S. and $45 million worldwide. Gucci No. 3 accounts for roughly half of those figures. Colonia estimates its newest introduction, Gucci Nobile will pull in $10 million at whole sales in its first full year in the U.S, complementing its Gucci Pour Homme which is at $4 million.

Noxell Corp's Cover Girl sales grew by 8%-10% relative to a 4.5% gain in facial makeup, 0.6% in lipstick and 3% in eye makeup. Cover Girl is expected to grow 7-8%, and Clarion is forecast to jump 15%-20%. Introduced nationally in September 1986, the 85-item Clarion line of sensitivity-tested and fragrance-free products is designed for women with sensitive skin, estimated at more than half of all women. Clarion is priced 20%-30% higher than Noxell's popular Cover Girl line, and was expected to do very well at $50 to $60 million in 1987. Noxzema skin cream appeared in a new pump container and Noxzema Aerosol Shave was aimed at men with specific skin and beard types. Noxell's only weak category is lip products.

Maybelline, a unit of Schering-Plough, captures close to 20% of the $1.5 billion color cosmetics wholesale market. Noxell's Cover Girl holds about an equal share. Sales of eye cosmetics account for approximately 50% of Maybelline's worldwide annual wholesale volume of $400 million to 450 million. Close to $300 million of that total is done in the U.S. where sales of eye cosmetics represent slightly more than 50% of the business, and sales of nail color are about 10% of worldwide business. Lip and face color represent 25% and 15% of total business, respectively. Maybelline launched 14 new products in the first quarter of 1987. Two of them, Maybelline aerosol mousse makeup and Eye Pearls eye shadow, were the first of their kind to reach the U.S. market, according to Advertising Age. Suncare products, the Coppertone, Solarcaine and Tropical Blend brands, turned in a record sales performance for Schering-Plough, largely because of the introduction of several new and reformulated products.

In 1986, Beecham focused its U.S. efforts on its strong health and personal care businesses, while selling off some of its lagging cosmetics and consumer products operations, and cutting back on total U.S. spending by 37.7%, according to Advertising Age. The company sold Germain Monteil, Diane von Furstenberg, and Lancaster cosmetics to Revlon. Adidas men's fragrance and toiletres were introduced to the U.S. in 1986, with $2.1 million in measured spending. Other brands include Yardley, Jovan and Viabath.

Gillette began a compelete restructuring after fighting off several takeover attempts, especially by Revlon. A complete line of price-competitive, no frills tioletries, under the Good News brand name, is in test market on the West Coast. The idea is to capture all of the consumer's tioletries, health and beauty aids needs with a single brand, according to Advertising Age. In 1986 the company acquired Lustrasilk haircare products in the U.S.

PRODUCTION

The Federal Reserve Board indexes of production measure the overall level of physical output for U.S. industries with 1977 as the base year. The index, including soaps as well as toiletries, in 1987 was 188.9. This exceeds the level for all consumer goods of 127.8. Soaps and toiletries recorded a 3.3% increase over 1986, while the production index for all consumer goods rose only 3.1% for the year.

Industrial Production Indexes, 1983-1987
(1977 = 100)

	1987	1986	1985	1984	1983
Total industrial production	129.8	125.1	124.5	121.8	109.2
All consumer goods	127.8	124.0	120.7	118.2	109.3
Soaps & toiletries	188.9	182.9	175.6	156.7	139.9

Source: Board of Governors,
Federal Reserve System: Industrial Production (G12.3)

Capacity Utilization Rates

The U.S. Bureau of the Census conducts an annual survey of plant capacity which covers operations in the fourth quarter of the year. Measures on capacity utilization include a rate which is based on plant operators' preferred level of operations, i.e. generally considered to be the rate at which profits will be maximized. The rate of 72% in 1986 represented an 11 point increase over 1983, but was 6 points below 1985. Current rates are believed to be higher as many manufacturers are running at full capacity. For example, Estee Lauder started a third shift in 1988 and is using their Canadian factory for U.S. manufacturing due to lack of capacity.

Capacity Utilization Rates in the Toilet Preparations Industry
Fourth Quarters 1983-1986

Preferred Rate			
1986	1985	1984	1983
72	79	73	68

Source: U.S. Bureau of the Census, Current Industrial Reports: Survey of Plant Capacity, 1986 (MQC1(86)1)

PRODUCT SHIPMENTS

The value of shipments of all products included in the toilet preparations classification (which covers soaps, dentifricis, deodorents, etc., as well as the major components covered in this Fact File: cosmetics, fragrances and toiletries) has been estimated at $14.0 billion in 1987 by the International Trade Administration. This represented a 4.2% increase over the 1986 estimate totaling $13.5 billion, and compares with the annual 5.5% gains registered for 1986 and for 1985 over the previous year.

In constant dollars, discounting the effect of inflation, total shipments of toilet preparations in 1987 rose an estimated 2.7% over 1986. The annual growth rate from 1980-1985 averaged 1.1% in constant dollars and 9.2% in current dollars. A constant dollar increase of 2.5% was forecast by the ITA for 1988 over 1987.

The latest official industry data from the 1985 Annual Survey of Manufacturers (U.S. Census Bureau) places the total value of all toilet preparations by U.S. producers at $12.8 billion. The major items of fragrances, cosmetics and other toiletries amounted to $10.4 billion, down 1.8% from the 1984 total, due to a 7.1% drop in the value of shipments of fragrance products.

Value of Shipments of Specified Toilet Goods Classifications
By All U.S. Producers: 1982-1985
(Millions of dollars)

	1985	1984	1983	1982	% Change 1985/82
Toilet preparations, total	$12,826.2	$12,155.2	$11,247.8	$10,437.1	+22.9%
Fragrances, cosmetics, etc. total	10,371.9	10,565.3	9,669.2	8,929.5	+16.1
Fragrances	1,614.9	1,738.4	1,732.3	1,634.1	- 1.2
Hair preparations (incl. shampoo)	3,057.6	2,817.1	2,558.7	2,430.0	+25.8
Cosmetics, toiletries	5,636.7	5,305.7	4,760.3	4,266.5	+32.1
Toilet preparations, n.s.k.	628.7	704.1	617.9	598.9	+ 5.0
Other:					
Dentifricis, mouthwashes, gargles	1,464.6	1,174.6	1,227.4	1,178.9	+24.2
Shaving preparations	423.8	415.4	351.3	328.7	+28.9

n.s.k. not specified by kind.

Source: U.S. Bureau of the Census
Annual Survey of Manufactures;
1982 Census of Manufactures

Information of shipments of specific products is covered in greater detail in the final 1982 Census of Manufactures report on toilet goods. Details on selected products are noted below.

PRODUCT SHIPMENTS

Value of Shipments of Specified Products: 1982
(Millions of dollars)

	No. of Companies With Shipments of $100,000 or More	Total Value of Shipments
Toilet preparations, total	na	$10,437.1
Selected products, total	--	6,115.9
Fragrances	na	1,634.1
Perfumes	69	552.2
Toilet waters	23	322.6
Colognes	40	750.4
Hair preparations - selected types (excl. professional hair coloring, etc.)	--	1,258.9
Shampoos (consumer use)	na	784.3
Hair spray	31	392.0
Hair rinses	11	82.6
Cosmetics:		
Creams:	--	613.5
Cleansing creams	31	177.7
Foundation creams	22	143.4
Lubricating creams	22	186.3
Other creams	23	106.1
Lotions, oils (excl. hair, aftershave, bath)	--	668.5
Suntan, sunscreens	22	96.1
Cleansing lotions	23	89.0
Cosmetic oils	15	32.4
Hand lotions	44	206.8
Other lotions	21	244.2
Lipstick, other lip preparations	34	395.5
Blushes, rouges	28	161.6
Eye preparations	33	499.9
Manicuring preparations:	--	316.7
Nail polishes	28	234.0
Polish removers	15	42.9
Other products	8	39.8
Powder:		
Talcum, toilet powder	35	213.2
Face powder	25	111.5
Liquid, compact	9	32.5
Other powder	6	10.1
Bath salts, tablets, oils, bubble baths	37	169.2
Other cosmetics, toiletries	23	30.7

na not available

Source: U.S. Bureau of the Census:
1982 Census of Manufactures (MC82-1-28D)

PRODUCT SHIPMENTS

The level of concentration of product shipments among major manufacturing companies in the U.S. is compiled every five years by the Census Bureau in the Censuses of Manufactures.

Share of Shipments of Specified Products Accounted For By The Largest Companies: 1977, 1982

			% Accounted For By The Largest Companies:			
	Year	Total (mil. $)	Top 4	Top 8	Top 20	Top 50
Fragrances	1982	$1,634.1	41%	64%	88%	99%
	1977	1,096.8	54	69	89	99
Hair preparations, incl. shampoos	1982	2,430.0	42	62	86	96
	1977	1,474.9	50	67	88	97
Other cosmetics, etc.	1982	4,266.5	38	55	80	95
	1977	2,597.4	39	56	79	95

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Concentration Ratios in Manufacturing (MC82-S-7)

FOREIGN TRADE

Once a healthy plus factor for the U.S. economy, the nation's trade balance in cosmetics and toiletries changed; in 1985, imports of toilet goods exceeded exports for the first time in recent history. The balance continued to deteriorate, as the value of imports rose to an estimated $431 million in 1987, up 13.4% from the year before. The trade deficit in cosmetics, which first appeared in 1985 at $20 million, is estimated to have reached $71.5 million in 1987. Exports, however, grew 12.5% in 1987 to $360 million.

The situation looks more hopeful for 1988: the trade gap could shrink by as much as $11 million as the weaker dollar finally puts a break on import growth. The import value forecast for 1988 is $470 million, an increase of only 9% from 1987. The value of exports is expected to increase slightly more in 1988 compared to 1987, up 13.9% to 410 million, according to the U.S. International Trade Administration.

Among those factors cited by the ITA for the growth in imports is the proliferation of foreign or "gray" market products entering the U.S. market. These goods tend to be higher-priced prestige lines that are diverted by wholesalers from overseas markets to discounters and mass merchandisers within the U.S. Counterfeit goods are also becoming more of a problem because of the ease with which they can be intermingled with diverted goods.

FOREIGN TRADE

The Coalition to Preserve the Integrity of American Trademarks (COPIAT) estimated that the fragrance and cosmetics industry lost an average of about $7.5 million per company in 1983, the highest average of any industry in the coalition. In 1985, customs estimated the fragrance "gray" market at $200 million a year. By 1986, the "gray" market was thought to account for at least 15% of total U.S. cosmetics sales, with some sources putting that figure as high as 35%.

Fragrances manufactured for sale in the U.S. have not contained Freon, banned by the FDA because of danger to the world's ozone layer since 1978. Some fragrance distributers, however, have continued to use it in aerosols meant for sale overseas in an attempt to discourage "gray" market imports. As part of the effort to halt entrance of these products, members of the cosmetics industy are registering their trademarks with the U.S. Customs Service.

U.S. Foreign Trade in Toilet Goods, 1984-1988
(Value in millions of dollars)

	Forecast 1988	1987	1986	1985	1984	% Change Forecast 1988/87	% Change 1987/86
Value of imports	$470(e)	$ 431	$ 380	$ 322	$ 282	+ 9.0%	+ 13.4
Value of exports	410(e)	360	320	312	331	+ 13.9	+ 12.5
Export/shipment ratio	--	0.025	0.024	0.024	0.027	--	+ 4.2
Import/new supply ratio*	--	--	--	0.025	0.024	--	--

(e) estimated

* New supply is the sum of product shipments (not industry shipments) plus imports.

Source: U.S. Department of Commerce,
International Trade Administration:
1988 U.S. Industrial Outlook

France was the largest exporter to the United States, accounting for about 42% of U.S. imports. Germany was second, with 17%. Canada was the major importer of U.S. cosmetics, taking 15% of U.S. exports.

For many cosmetics firms the U.S. market is saturated and the only place for growth is overseas. Barriers to U.S. exports are varied. To protect their domestic industries, some countries levy high tariffs or close the door to U.S. goods.

Along with "gray" market toiletries, the increase in imports is attributed to a number of factors. They include: foreign manufacturers taking cuts in export profits in order to maintain market share; stepping up promotional and marketing efforts in the U.S.; and a willingness among foreign suppliers to make long-term overseas commitments. On the other hand more money is now being pumped into research by U.S. producers for "unique" products that conceivably could provide an export break-through. Continued escallation of prices for imports may slow growth in the U.S. At the end of December 1987, the import price index for essential oils and perfumes was up 14.4% over December 1986 and 27% higher than in December 1983.

PRODUCER PRICE INDEX

The producer price index for cosmetics & toilet preparations, a measure of average changes in prices at the point of production, rose 1.7% from December 1986 to December 1987. This follows a 3.7% annual rise in the price of these products in 1986. Lotions and oils (other than hand lotions) had the largest price gains at the producer level in 1987, rising 14.0%, respectively. There is a good deal of price volatility evident for various products. For example, the price of lip preparations rose 1.7% from 1985 to 1986, yet the price fell 10.9% from December 1986 to December 1987.

Producer (Factory) Price Index for Specified Toiletries & Cosmetics
(1967 = 100, unless otherwise indicated)

	December Average			Annual Average		
	1987	1986	% Change 1987/86	1986	1985	% Change 1986/85
All items	311.7	298.1	+ 4.4%	299.8	308.9	- 2.9%
Cosmetics & toilet preparations	256.9	252.7	+ 1.7	254.7	245.6	+ 3.7
Shaving preparations**	129.5	128.3	+ 0.9	133.6	132.3	+ 1.0
Perfume, cologne & toilet water**	144.3	140.7	+ 2.6	150.2	142.7	+ 5.3
Perfume	339.3	333.0	+ 1.9	332.6	321.4	+ 3.5
Cologne & toilet water	255.1	248.0	+ 2.9	282.3	264.0	+ 6.9
Hair preparations**	122.8	121.8	+ 1.1	120.2	116.0	+ 3.6
Hair tonics, incl., conditioners	256.3	262.3	- 2.3	259.9	256.4	+ 1.4
Hair dressings**	147.2	141.8	+ 5.7	140.2	136.3	+ 2.9
Hair spray (aerosol)*	295.8	285.6	+ 3.6	285.4	269.8	+ 5.8
Home & commercial permanents	241.2	235.9	+ 4.0	234.0	236.4	- 1.0
Creams**	152.7	148.5	+ 2.8	148.0	140.2	+ 5.6
Cleansing creams	423.2	401.9	+ 5.3	403.3	394.4	+ 2.3
Foundation creams**	140.9	136.8	+ 3.0	132.5	124.3	+ 6.6
Lubricating creams**	160.8	158.0	+ 1.8	158.7	150.8	+ 5.8
Other creams**	138.9	138.4	+ 0.4	137.8	127.7	+ 7.9
Lotions & oils**	139.7	132.6	+ 5.4	132.8	126.0	+ 5.4
Suntan & sunscreens**	130.6	129.3	+ 1.0	127.8	119.7	+ 6.8
Hand lotions	191.3	189.6	+ 0.9	195.9	187.6	+ 4.4
Other lotions & oils**	140.3	123.1	+14.0	123.1	121.6	+ 1.2
Cosmetics**	147.8	152.4	- 3.0	161.0	152.7	+ 5.4
Lip preparations	181.7	203.9	-10.9	238.5	234.5	+ 1.7
Blushes**	144.7	142.6	+ 1.5	140.9	131.2	+ 7.4
Eye preparations*	205.3	205.2	--	203.3	187.8	+ 8.3
Manicure preparations**	114.5	115.0	- 0.4	114.4	108.0	+ 5.9
Powders**	147.3	145.6	+ 1.2	145.4	139.4	+ 4.3
Face powder	268.3	263.6	+ 1.8	285.5	268.3	+ 6.4
Wet application powder**	149.8	140.4	+ 6.7	139.2	134.1	+ 3.8
Bath oils & salts*	na	na	na	154.6	162.0	+ 4.6

* 12/71 = 100
** 6/80 = 100
na not available

Source: U.S. Bureau of Labor Statistics

ADVERTISING EXPENDITURES

An estimated $1.7 billion was spent for space and time in measured media to advertise products in the broad toilet preparations classification in 1987; up only 3.4% from the year before, according to Advertising Age. It should be noted that this data, compiled from material supplied by Leading National Advertisers and Broadcast Advertisers Reports, does not account for some end rate discounts to bulk purchasers of TV time. Although the biggest dollar gain in advertising media in 1986 was for cable TV, in 1987 expenditures on cable were flat. Magazine advertising grew 16.6% in 1987 to $455.4 million, while network radio decreased 11.5% to $24.7 million.

Advertising Expenditures On Toilet Preparations, 1986, 1987
(Millions of dollars)

	1987	1986	% Change 1987/86
Total	$1,715.4	$1,659.1	+ 3.4%
Network TV	889.4	894.9	- 0.6
Magazines	455.4	390.7	+ 16.6
Spot TV	263.1	242.3	+ 8.6
Network Radio	24.7	27.9	- 11.5
Spot Radio	23.4	22.7	+ 3.1
Newspaper	*26.6	24.5	+ 8.6
Outdoor	1.5	1.5	0
Cable TV	54.7	54.6	+ 0.2

* estimated

Source: Leading National Advertisers,
BAR/LNA Multi-Media Service

The largest category is the advertising of hair treatments, with expenditures of $159.0 million, an increase of 2.3%. Advertising expenditures for shampoos & rinses totaled $155.4 million in 1986, the second largest expenditure of the various cosmetics & toiletries categories reported by Product Marketing. However, dollars allocated for shampoos and rinses decreased by 23.3%. The leading advertisers for this product group are Procter & Gamble ($44.6 million), followed by Helene Curtis, ($19.6 million), S.C. Johnson ($17.5 million). Only four of the top ten leading brands advertised in 1985 remained in 1986.

More than $122 million was spent to advertise creams & lotions in 1986, a whopping 22.4% decrease from the year before. The leading brands advertised in this product group for all media are Oil of Olay (Richardson-Vicks), by a wide margin, Vaseline (Chesebrough-Ponds), and Lancome (Cosmair).

ADVERTISING EXPENDITURES

Spending for advertising sunscreen and tanning products has been rising steadily--up nearly 15% in 1985 and 29% in 1986, and can be attributed to increased spending and repositioning by certain brands. Bain de Soleil remained the top spender, however, Squibb decreased spending by almost $1 million in 1986.

Fragrance advertising expenditures for 1986 remained about the same as in 1985. Fragrances receiving top advertising dollars included Obsession, Krystal, Carrington, Liz Claiborne, and Valentino.

Spurred by the interest in artificial nails, manicure products jumped 81% in advertising spending. Taking the biggest leap was Lee Pharmacuticals, which nearly tripled its advertising expenditures.

The biggest drop in spending was for bath products, which declined 31.6%, while dollar spent on toilet soaps, the third largest advertising category--declined 4.8% mainly du Johnson & Johnson cutting spending by $2 million. Proctor and Gamble was the biggest spender in the toilet soap category at $57.9 million, with Greyhound ($31 million) an Unilever ($28 million), second and third respectively.

Leading Advertisers Spending in Selected Cosmetics & Toiletries, 1986
(In millions of dollars)

Men's Toiletries		Sun Products		Bath Products	
Total	$82.3	Total	$16.5	Total	$12.3
Cosmair	11.3	Schering-Plough	4.6	J & J	3.6
Mennen	10.7	Squibb	2.8	Squibb	2.0
American Cyanamid	9.3	Estee Lauder	2.4	Beecham	1.5
Manicure Products		**Fragrances**		**Lip & Eye Products**	
Total	$94.2	Total	$115.7	Total	$68.1
Lee Pharm.	51.8	Pfizer	13.2	Schering	22.9
Cosmair	9.1	Revlon	13.0	Revlon	16.8
Unilever	8.7	Cosmair	11.8	Noxell	15.0
Facial Makeup		**Creams, Lotion, Oils**			
Total	$53.9	Total	$122.1		
Noxell	25.3	P & G	22.0		
Revlon Group	6.1	Unilever	17.5		
Cosmair	5.4	Revlon	9.3		

Source: Product Marketing

According to an analysis of 10-K reports filed by publicly owned companies with the Securites & Exchange Commission, advertising expenditures in 1986 represented 9.4% of the total sales of the perfume, cosmetic and toilet preparations industry. (The base sales figures include advertisers and non advertisers; individual companies may spend significantly more or less than the overall industry percentage.) This compares with a 13.1% share reported in 1985, and 8.4% in 1982. Included in the figures are all expenditures classified as "advertising expense": by the reporting company, and estimates are also subject to differences in classification systems. Media and nonmedia advertising and production costs are included.

ADVERTISING EXPENDITURES

Perfume, Cosmetic and Toilet Preparation Advertising Expenditures 1982 - 1986

	Ad Dollars As % of Sales	Ad Dollars As % of Margin*	Ad Dollars Annual Growth Rate %
1986	9.4%	14.6%	5.6
1985	13.1	21.3	7.2
1984	11.5	19.3	7.6
1983	9.0	15.2	7.6
1982	8.4	14.5	7.1

* margin is net sales less cost of goods sold

Source: Pansophic Systems and Schoenfield & Associates (*Advertising Age*)

AT THE RETAIL LEVEL

CONSUMER EXPENDITURES

The nation's consumers spent an estimated $24.2 billion for toilet articles and preparations of all types in 1986. This was 5.2% above the total of $23.0 billion reported by the Bureau of Economic Analysis for the year 1985. On a constant dollar basis, eliminating the effects of inflation, spending in 1986 gained 2.0% over 1985.

Included in the personal consumption figures compiled by the Bureau are cosmetics, fragrances and toilet preparations, as well as hair dryers and other personal care items. The figures include shampoos, hair sprays, etc. that are purchased over-the-counter by consumers in beauty salons and barbershops, but not those products that are used by the stylists to treat their customers.

Personal Consumption Expenditures For
Toilet Articles & Preparations, 1983-1986
(Billions of dollars)

	1986	1985(r)	1984(r)	1983(r)	% Change 1986/85
Total, current $	$24.2	$23.0	$21.9	$20.3	+ 5.2%
Total, constant (1982) $	20.7	20.3	20.0	19.2	+ 2.0

(r) revised

Source: U.S. Department of Commerce,
Bureau of Economic Analysis:
Survey of Current Business, July 1987

By Product Type

Definitive figures on retail sales of toiletries, cosmetics, and fragrances are difficult to arrive at due to the lack of a uniform definition of products to be included in this classification, as well as the great variety of retail outlets selling these products.

Product Marketing magazine, a trade publication, estimated the size of the market at $17.3 billion in 1986, an increase of only 1.9% over their 1985 estimate of $16.9 billion. Their definition of the market, in terms of products, is narrower than that used by the U.S. Bureau of Economic Analysis.

Drawing on various market studies, and taking into account information from the great variety of retail outlets involved--department stores, mass merchandisers, supermarkets, drug stores, direct mail, etc. -- Product Marketing has compiled estimates on sales of specific product categories, which are intended to show changes and trends, rather than to precisely define exact dollar amounts. These figures are covered in the following tables.

Men's toiletries is the only overall category experiencing growth with a 12.6% increase in 1986 over the year before, especially in colognes (32.3% increase) and skin treatment products (19.3% growth). Other items showing strong potential are foundation makeup (up 17%) and wave sets (up 34.0%) and face powder (up 14.0%). Women's fragrances was the category with the biggest loss of 1.1%. Consumers spent less on nail products (down 6.5%) shampoos (down 4.0%) and straighteners (down 4.7%).

By Product Type (continued)

Cosmetics, Fragrances, Toiletries
Estimated Volume At Retail, 1982-1986
(Millions of dollars)

	1986	1985	1984	1983	1982	% Change 1986/85
Cosmetics, fragrances, toiletries, total	$17,259.3	$16,946.3	$15,880.5	$14,820.5	$13,798.3	+ 1.9%
Cosmetics	4,956.8	4,753.7	4,298.0	3,845.8	3,584.2	+ 4.3
Fragrances, women's	2,958.7	2,990.4	2,709.8	2,469.2	2,187.8	- 1.1
Hair products, women's	3,047.6	3,047.8	2,967.9	2,804.7	2,679.5	--
Men's toiletries	1,263.9	1,122.7	1,071.5	1,022.1	918.0	+12.6
Skin preparations	2,663.7	2,684.5	2,628.4	2,632.5	2,498.1	- 0.8
Personal cleanliness (bath soaps, external deodorants)	2,368.6	2,347.2	2,204.9	2,046.2	1,930.5	+ 0.9

Source: Product Marketing: 40th Annual Consumer Expenditure Study (August, 1987)

Estimated Consumer Expenditures for Specified Products
1985, 1986
(Millions of dollars)

	1986	1985	% Change 1986/85
Total, all products	$17,259.3	$16,946.3	+ 1.9%
Cosmetics, total	4,956.8	4,753.7	+ 4.3
Foundation make-up	647.8	553.8	+ 17.0
Lipsticks/Color/Gloss	949.7	956.7	- .0.7
Face powder	371.4	325.7	+ 14.0
Eye makeup	1,181.7	1,238.7	- 4.6
Nail products	743.4	794.8	- 6.5
Cover products	90.0	90.5	- 0.6
Cheek color	463.1	433.4	+ 6.9
Other, including accessories	259.7	257.5	+ 0.9
Unspecified	250.0	102.5	*
Fragrances, women's, total	2,958.7	2,990.5	- 1.1
Perfume	220.0	207.5	+ 6.3
Toilet water, cologne	2,092.4	2,119.5	- 1.3
Gift sets	319.2	331.3	- 3.7
Scented bath products	327.1	332.1	- 1.5
Hair products, women's	3,047.5	3,047.7	--
Shampoos	1,138.8	1,186.1	- 4.0
Conditioners	387.6	382.5	+ 1.3
Dressings (including mousse products)	131.6	148.5	- 11.4
Color preparations	570.6	537.5	+ 6.2
Home permanents	124.6	121.6	+ 2.5
Straighteners	55.1	57.8	- 4.7
Wave sets	38.2	28.6	+ 34.0
Fixatives	526.1	510.8	+ 3.0
Ethnic products	74.9	74.3	+ 0.8

(continued)

CONSUMER EXPENDITURES

By Product Type (continued)

Estimated Consumer Expenditures for Specified Products
1985, 1986
(Millions of dollars)
(continued)

	1986	1985	% Change 1986/85
Men's toiletries, total	$1,263.9	$1,122.7	+ 12.6%
Colognes	358.1	270.7	+ 32.3
Talcum powder	7.0	7.0	--
Gift sets	141.6	128.0	+ 10.6
Hair products (sprays, gels)	154.3	146.7	+ 5.2
Hair coloring	28.0	26.7	+ 4.9
Shave cream	223.7	214.9	+ 4.1
After-shave products	302.0	289.9	+ 4.2
Skin treatment products	19.8	16.6	+ 19.3
Pre-shave products	21.8	22.3	- 2.2
Ethnic Products	7.6	na	--
Skin preparations, total	2,663.7	2,684.5	- 0.8
Suntan, sunscreen products	254.1	248.1	+ 2.4
Acne products	158.8	161.2	- 1.5
Face creams/cleansers	556.1	579.2	- 4.0
Face lotions/moisturizers	542.7	514.0	+ 5.6
Body lotions/emollients	418.0	411.9	+ 1.5
Hand creams	64.7	61.5	+ 5.2
Other (Bleaches, Depilatories, Cortisone, Lip Protectors)	669.3	708.6	- 5.6
Personal hygiene, total	2,368.6	2,347.2	+ 0.9
Bath soaps	1,273.6	1,285.1	- 0.9
External deodorants	1,095.0	1,062.1	+ 3.1

*Items included in this category (estimate for direct mail etc.) in 1985 and 1986 were not comparable.

Source: Product Marketing, 40th Annual Consumer Expenditure Study (August 1987)

MARKETING DEVELOPMENTS

Fragrances

Annual unit growth of total U.S. women's fragrance sales rose slightly more than 1% in 1987. In dollars, growth in 1987 was 2-3%. The category had an estimated 4% to 5% dollar increase in 1987, according to C.H. Kline. Growth of about 5% until 1991 is projected for the total fragrance category. At least 20 new scents will be introduced in 1988 in addition to the nearly 700 fragrances now in U.S. distribution, reports the Fragrance Foundation. Ninety new fragrances, including line extentions were introduced in 1987, a 20% increase from 1986, according to Marketing Intelligence Service. However, approximately 80% of new fragrances fail, says one industry source.

Companies are spending heavily during fragrance launches to win early and keep the momentum going. Calvin Klein spent $17 million launching Obsession, and Chesebrough Ponds spent $10 million on the initial campaign for Elizabeth Taylor's Passion in 1987.

Fragrance (continued)

In 1986, 84.1% of all women nationwide used fragrance--60.1% used cologne; 29.1% used perfume and 7.4% used toilet water--with 64.3% using sprays and 36.7% using liquid form, according to Simmon's Market Research Bureau.

Fragrance Usage Among Selected Name Brands

	% Usage*		% Usage
Anais	3.5%	Giorgio	4.2%
Avon		Guerlain	
Candid	5.1	Shalimar	2.1
Foxfire	5.1	Halston	5.2
Odyssey	5.6	Jean Nate	5.9
Soft Musk	9.9	Jovan Musk Oil	5.8
Cachet	5.7	Nina Ricci	
Chanel No.5	10.4	L'Air du Temps	4.8
Chantilly	5.3	Obsession	1.6
Coty		Opium	5.8
Emeraude	5.8	Revlon	
Wild Musk	5.0	Charlie	7.7
Elizabeth Arden		Jontue	7.4
Blue Grass	1.3	Intimate	1.9
Estee Lauder		Scoundrel	2.5
Aliage	3.4	Vanderbilt	6.4
White Linen	5.4	White Shoulders	8.2
Youth Dew	5.1	Wind Song	8.6

* Among total women

Source: Simmons 1986 Study of Media & Markets

Several retailers launched their own fragrances in 1987 including Tiffany and Bijan. Tiffany's launched its brand in eight of its boutiques and recently expanded to six upscale retailers. Even Caesar's World, the hotel and gambling casino has developed its own fragrances.

Estee Lauder, Cosmair, Revlon and Avon control 65% of the department store beauty business. Smaller fragrances must use niche marketing. Specialty stores and perfumeries look for more eclectic offerings and opt for lesser-distributed brands. Sampling and gift-with-purchase offerings, however, must be used more extensively in these outlets to build the business, according to Advertising Age.

Top Selling Women's Fragrances in Department Stores, 1987
(Wholesale dollars in millions for 1986)

Fragrance	Sales
Giorgio	$55
White Linen	42-40
Obsession	40
Opium	38
Oscar De La Renta	34
Youth Dew	34
Passion	30

Source: Prudential-Bache Securities

RETAIL SALES BY PRODUCT

Frangrances (continued)

Brand life cycles are shrinking: Giorgio, introduced in 1980, made its greatest gains between 1983 and 1985, when fragrance sales reached $100 million, and is showing signs of having peaked. Obsession already generated sales of $30 million in its debut year. More people are running into the market for shorter, faster-built life-cycle brands. Retailers have encouraged this by pushing new fragrances at the expense of older brands.

A recent new development is the rise of the EDP (Eau de Parfum) according to Product Marketing. Perfume's concentration of essential oils might be 30%, and the eau de toilette (EDT) has a 15% concentration of the same essence. Eau de Parfum fills in at the mid point with 20-22% concentration. What this means (in terms of price) is that if a prestige perfume typically sold for $175 for one ounce, and the EDT (which commands a greater amount of units sold) was priced proportionately at $40 an ounce, the EDP would be priced somewhere between the cost of the perfume and the EDT. A specific example is L'eau de Parfum Arpege which sells at a top price of $62. In addition, French exporters receive tax advantages by using the EDP formulation.

An approximate breakdown of 1986 sales of women's fragrances in the various channels of distribution was: department stores, over 30%; drugstores, 25%; mass merchandisers, 15%; direct sale, 15%; with food stores and mail order establishments sharing the remaining 15% of the market.

Knock-off Fragrances

Knock-offs are fragrances with scents similar to prestige brands, which use the name of the original fragrance on the packaging, but sell at much lower price points. Knock-offs started in the early 1980's when prices for prestige brands doubled and quadrupled. Unlike traditional low-price imitations, knock-offs are backed with aggressive marketing strategies. The typical slogan is "If you like Obsession, you'll love Confess". Knock-offs--or "alternative designer fragrances" (ADF's) as their manufacturers prefer to call them, are sold door to door and through mail order establishments, but the bulk of business comes from the mass-market outlets.

Industry sources estimate that there are as many as 27 copycat fragrance companies, some which even copy other knock-offs. Coeur is the largest knock-off fragrance company representing approximately half of the knock-off market in 1986. The segment's estimated $150 million to $200 million in retail sales, constituted about 7% of the total fragrance market in 1986. By comparison, in 1985 knock-off fragrances represented only $50 to $75 million in retail sales. Lenox, makers of The Great Pretenders, reached a sales volume of $12 million last year. Knock-offs compete with mass market fragrances such as Jontue, as well as stealing share from the prestige fragrances they imitate. Most knock-offs can be developed and out on the shelves faster than the originals.

Manufacturers of ADF's such as Deborah International Beauty, Parfums de Coeur and Westport Laboratories are facing increased litigation. Some industry insiders are predicting a shakeout in the crowded ADF market, but major companies entering the market are an indication of the category's strength and staying power.

Home Fragrances

Environmental fragrances, as they are called, include pillows, shoe sachets, clothes hangers, drawer liners, candles, room sprays and vaccuum refreshers. There are also a number of electric gadgets, about the size of a paperweight, which dispense aromas to suit almost evey mood.

Americans spent more than $250 million on designer fragrances, versus $375 million spent on mass-market room deodorants last year, twice as much as in 1980. About 25 companies now concoct these scents; five years ago there were only a handful, according to C. H. Kline & Company. Baby boomers are having families and are entertaining at home. They want their houses to look and smell terrific. Major specialty scent manufacturers include Scarborough & Company, Avon, and Creative Environments.

Home Fashions Textiles magazine surveyed 27 top volume department stores, and 37 top specialty stores representing some 992 units and 183 stores, respectively across the country. Home fragrance items are carried in most specialty stores but were not yet available in most department stores at the time of the survey. Store buyers believe home fragrance items are great impulse and gift shopping items.

Percent of Unit Sales by Category of Home Fragrances

	Specialty Stores	Department Stores
Home Fragrances, Total	100%	100%
Potpourri	33	46
Room Fragrances*	27	22
Drawer Liners	17	15
Sachets	15	11
Scented Candles	8	6

* Includes sprays, lamprings and atomizers

Source: Home Fashions Textile, August 1987

Skin Care

The $2.7 billion "at retail" skin care market in 1987 is projected to grow slightly over 7% annually, with moisturizers leading at approximately 8%, according to C.H. Kline. Hand and body treatment growth through 1991 is projected at 5%-10%, slightly less than for facial treatment with broad distribution outlets garnering 50%-60% of sales and department stores a bit over 10%. At broad distribution, A.C. Neilsen reports that drugstore skin care sales, (including suntan oils and lotions and depilatories) totalled $560 million through August 1987, up 6.5% over 1986. For the food, drug, and mass outlets combined, the eight-month total was nearly $1.2 billion (up 7.9% over 1986). Limited distribution retailers reported double digit sales increases in 1987. Broad distribution accounted for 40%-50% of facial treatment sales in 1986 and limited distribution 40%-50%. Moisturizers (including lip treatments) represented 60% of the facial treatment market, cleansers held a 20% share, astringents/toners, 7-8%; masks 2-3% and other (including specialty creams), 7-8%.

Skin Care (continued)

Projected Growth of Retail Skin Care* Sales
(Millions of dollars)

Year	Total
1988	1,693
1989	1,774
1990	1,868
1991	1,979
1992	2,113

*face, hand, body lotions and creams, only

Source: Packaged Facts

Anti-aging creams are the fastest growing segment of the $1 billion skin care industry since they appeared in 1985. One industry consultant estimated that department stores and other retailers sold $300 million to $400 million worth of the creams, which are the most expensive type of cosmetic on the market.

Many marketers shifted from regimens-only to scientifically advanced single-items supported by heavy national advertising, in-store collateral and attractive packaging, in 1987. Well positioned products that can stand alone at retail are gaining favor, according to Advertising Age.

The Food & Drug Administration (FDA) recently tightened its restrictions on skincare labeling claims to include advertising claims as well. The FDA notified 22 skincare and cosmetics marketers that they must either stop claiming that their creams can affect the structure and function of the human body, or prove to the agency that their products could work safely as a drug product. Treatment products, with strong claims, are selling briskly, however, and manufacturers are launching more products of this nature in 1988.

Cosmetics companies are also facing new competition from Retin-A a prescription anti-acne drug for use as an anti-wrinkle cream. Johnson & Johnson's Ortho Pharmaceutical division recently petitioned the FDA for approval of their Retin-A anti-wrinkle product. At present Retin-A is not available in department stores, but retailers predict that products containing ingredients similar to Retin-A will be part of the next wave of skin care products. Also arriving in the near future will be color cosmetics that promote the benefits of anti-aging.

Simmons Market Research Bureau (SMRB) published information collected from personal interviews of more than 19,000 consumers nationwide in the 1986 Study of Media and Markets. Among the findings: 85.8% of female shoppers are users of hand and body cream, lotion or oil, and 24.4% were characterized as heavy users (used 14 or more times in the last seven days). The share of purchases accounted for by the heavy users was 47.7% The heavy user group was subsequently broken down into geographic, economic, and demographic segments. Only the segments which are substantially above the norm are illustrated here.

Skin Care (continued)

Hand & Body Cream, Lotion or Oil
Percent Heavy Users Above the Norm

Region	South	+17
	Pacific	+11
Type of Area	Non Metro	+ 8
Household Income	$40,000 or more	+19
Age Group	35 - 44	+12
	45 - 54	+ 8

To assess the use, attitude and behavior of women who purchase skin care products, People magazine commissioned a study of over 900 women on their use of skin care products, defined as facial cleansers, moisturizing products and skin care treatments other than facial soap.

Highlights from the study include: the most valued ingredients in skin care products are those that are hypo-allergenic, provide a sunscreen and prevent wrinkles. Medicated ingredients are less important, except to women under 25. Benefits sought, in order of importance are: moisturizing, followed by deep-cleansing, hypoallergenic, suncreen and minimizing wrinkles. Drug or chain stores are most popular for skin care purchases, department stores are a close second, followed by discount stores and supermarkets. Women under 25 are more likely than any other age group to shop in drug/chain stores, and items purchased include moisturizers and cream or lotion cleansers. Most women are generally brand loyal to skin care products, and use of a single brand increases with age.

Hair Care

The hair care category continues to show flat growth--an estimated 1%-2% in units and 3%-4% in dollars in the first half of 1987. Through August 1987 A.C. Nielson reports hair care totaled $912 million at drugstore outlets (an 0.8% drop from 1986), and $2.5 billion for food, drug and mass retailers combined (up 2.3% from 1986). There are approximately 2,000 hair care SKU's on the market, with 41% of toiletry best-sellers in hair care. More than 175 hair care products were launched through October 1987, according to Marketing Intelligence Service.

Hair care trends include products with more temporary effects, such as instant-in colors, sprays for spot use, and multiproduct styling lines (which are becoming more common). Clairol is currently pioneering a video/computer link-up to project how an individual will look with a specific hair color.

Projected Hair Care* Sales & Average Growth: 1987-1992
(In millions of dollars)

	% Avg. Annual Growth	1987	1988	1989	1990	1991	1992
Total	+ 4%	$1,770	$1,858	$1,955	$2,056	$2,167	$2,287
Sprays	+ 5	525	551	579	607	637	669
Coloring	+10	435	478	526	579	637	700
Ethnic	+ 3	285	293	302	311	320	330
Mousses	+ 3	215	221	228	234	241	248
Men's	+ 5	135	142	149	156	164	172
Home Perm.	- 3	130	126	122	118	114	111
Gels	+ 5	45	47	49	51	54	57

* excluding shampoos & conditioners

Source: Packaged Facts

Low priced brands now approach 24% of the market in dollars. With consumer's continued focus on value, they may continue to expand their share to capture 30% of the market, as predicted by Saloman Brothers. The premium priced category has grown to 14% of the market. This segment is fueled by two-income families who account for 33% of households.

According to Simmons Market Research Bureau's 1986 estimates of all females, 23.5% used hair coloring products and of all males 7.9% used a hair coloring product. In the case of shampoo, 91.1% of all females used shampoo; 18.8% on a daily basis. Of all males, 89.9% used shampoo; 23.9% on a daily basis.

Sun Care

The sun category, as defined by C.H. Kline, accounts for $350-$400 million in sales at retail, with a 7% annual growth through 1991, suncreens might reach double-digit growth after 1991. Kline projects an increase in the current market share for limited distibution outlets, from about 10% of the market in 1986, due to the rise in department store lines. Dollar volume in broad distribution was up 10.1% over 1986, to $247.6 million, through August 1987. Drugstores accounted for $124.1 million; foodstores, $65.6 million and mass merchandisers, $57.9 million for the eight month period, reports Nielsen Marketing Research. Dollar volume in food outlets was up 13% to $345 million in 1987, according to Salomon Brothers. Approximately 90 new products were introduced in 1987, according to Marketing Intelligence Service.

Trade sources predict that high-protection products, which currently claim 40% of the market, will account for more than 50% of all suncare sales in 1988. Broad spectrum screen will include products to filter out both UVA and UVB rays. While the growth of tanning products has only kept pace with inflation, the high protection segment has been posting solid double-digit gains averaging 15%. The breakdown in sales: Suntan Products (SPF5+), 50%; Sun Blocks/Screens, 40-45%; and Other (tan accelerators, self-tanning products, zinc products, after tan products), 5-10%.

MARKETING DEVELOPMNENTS

Sun Care (continued)

Eclipse Laboratories saw its sales leap to $11.3 million in 1987 from $2 million in 1986. Most of the growth was attributed to Cancer Garde (SPF 30), the first product to use the word "cancer" in its name. Even Bain de Soleil has lightened up the fashion tan, and introduced new products with SPF's of 30. The Food & Drug Administration is evaluating whether to endorse SPF's higher than 15. Each year half a million Americans develop superficial skin cancers and about 23,000 others develop malignant melanoma, placing increased emphasis on the role of sun exposure as a causative factor.

Line extensions are being introduced from upscale cosmetics and fragrance houses such as Chanel, Arden, Lauder, and Giorgio. Products are targeted increasingly to segmented markets such as consumers with sensitive skin, children, and sports enthusiasts. Other segments are those who tan for good looks such as 16 to 25 year olds, and over 25 year olds who are concerned about sun exposure.

Suntan & Suncreen

A whopping 43.6% of 20,000 respondents polled in the Simmons 1985 Study of Media and Markets, use suntan and sunscreen products. About 35% select the brands they use themselves, while 10% said their spouse makes the selection.

Usage of Sun Care Products

Type		Form	
Total	100.0%	Total	100.0%
Sun Block	12.6	Lotion	32.5
Suntan/Sunscreen	32.8	Oil	17.6
Other	4.8	Tube	4.9
		Aerosol/Solid	1.2

Number of Sun Care Products Used
(In a 12 month period)

Six or more sun products	1.8%
Five products	0.8
Four products	1.9
Three products	4.0
Two products	10.3
One	13.8
Less than one	11.0

Source: Simmons 1985 Study of Media and Markets

MARKETING DEVELOPMENTS

Nail Care

Although nail products were projected to do well, 1987 saw a 6.5% decrease in sales of nail color, according to Product Marketing. Nielsen reported sales of $164.9 million for nail color products at broad distribution for the first eight months of the year, a 6.4% decline from the previous year. The downward trend in nail polish has been due to new products that haven't panned out, lack of "big news" on the market, and the impact of competition from colored artifical nails, according to Product Marketing. Growth is coming from subsegments, such as treatment, and several emerging marketing trends are expected to impact on sales. According to Packaged Facts, these are increased advertising (which until recently was minimal), and upscale packaging. In addition manufacturers increasingly gear their color to seasonal trends in high-end cosmetics to increase sales, and are diversifying into nail treatments, implements and polish removers. More products formerly available only in salons are making the crossover to retail, and salon-type products are being developed for the retail market.

Projected Growth of Retail Nail Care Sales, 1987-1992
(in millions of dollars)

Year	Total
1987	$ 960
1988	1,040
1989	1,100
1990	1,155
1991	1,215
1992	1,275

Source: Packaged Facts
Product Marketing, January 1988

Color Cosmetics

Color cosmetics, comprised of lip and cheek color, nail products, eye makeup, face powder, and foundation--reached approximately $5 billion at retail in 1986. According to C.H. Kline, drugstores accounted for over 30% of sales; department stores, over 20%, mass merchandisers, over 10%; and direct sales over 10%.

Sales at drug, mass merchants, and food outlets combined totaled slightly over $1 billion through August 1987, according to A.C. Nielsen, up 4.3% over the same period the year before. Lip and face makeup are trending most strongly. Combined with treatment, limited distribution retailers report this category as the fastest growing in the cosmetics department. New products include Adrien Arpel's Line Fill, a photo-grey cream painted on to fill in and smooth out wrinkles before foundation is applied, and Teint Poudre Dual Powder Foundation from Christian Dior, used wet or dry, and presented in an ultra-slim compact, reports Product Marketing.

NEW PRODUCTS

New Product Introductions, 1986 and 1987

	1987	1986
Color cosmetics	221	158
Skincare	181	154
Fragrance	90	72
Bath Products	52	68

Source: Beauty Age

POTENTIAL MARKETS

The Men's Market

After a decade of optimistic projections, the men's grooming category is on the rise. In 1986, total dollar volume sales at retail for men's grooming products and supplies reached $1.2 billion. The forecast for 1991 is over $1.6 billion in 1991, according to FIND/SVP. The study reports better than 5% annual growth is expected for skin care, colognes/fragrances, after shaves and antiperspirants/deodorants, and forecasts an overall growth rate for the category of 4.5% per year before price increases. Shave, after shave and pre-shave products comprise almost 46.2% of the total market; colognes/ fragrances, 26%, and hair care products claim a 12.3% share. Of the $858 million retail value of men's grooming products sold through department stores in 1986, 44% was in aftershave, colognes, gift sets and skin care products.

Cosmair and Lauder dominate the industry. FIND/SVP estimate the annual sales of men's grooming products by Estee Lauder to be about $140 million, with fragrance accounting for about $60 million. Cosmair's broader distribution base contributes to its greater dollar volume of $180 million in men's grooming products. Advertising expenditures for the men's toiletries and shaving supplies category totaled nearly $155 million in 1986, with about 54% being spent on network television, according to Product Marketing. The top five advertisers, Cormair, Mennen, American Cyanamid, Pfizer and Estee Lauder spend $46.3 million or 56.3% of the total for the category. The breakdown of sales for men's fragrances by channel of distribution: department stores, 20%; drugstores, over 30%; mass merchandisers, over 20%; direct sale, 10%; and foodstores, mail order house etc. held the remaining 20% share of the market.

Sales of Men's Toiletries, 1987, 1991
(In million of current dollars)

			% Change		Share of
	1987*	1991*	1987/86	1991/87	1987 Total
Total Toiletries	$1,310	$1,600	+ 7.0%	+ 22.1%	100.0%
Shave, After shave Preshave	$604	$730	+ 6.2	+ 20.9	46.2
Colognes/Fragrances	340	435	+ 9.7	+ 27.9	26.0
Gift Sets	142	168	+ 5.2	+ 18.3	10.8
Skin Care	28	50	+40.0	+ 78.6	2.1
Hair Care	161	180	+ 3.9	+ 11.8	12.3
Hair Coloring	28	30	0	+ 7.1	2.1
Talcum Powder	7	7	0	0	0.5

*Projected

Source: FIND/SVP

The Men's Market (continued)

Most of the men's market purchases are still made by women. One cosmetics industry analyst estimated that up to 80% of all men's toiletries are bought by wives and girlfriends. Factors which will help expand the men's market are the baby boomer's growing preoccupation with aging; changing attitudes toward fitness and exercise; and a continuing influx of women into the nation's workforce.

Presently, 33.5 million males over age 35 have gray hair but only 10% color their hair, with some of those men using women's hair coloring products. In a survey of over 1,000 middle-aged men, conducted by the Home Testing Institute, 52% thought it okay for men to color their hair and 63% thought too much gray made a man look old. The majority, however, disapproved or had reservations about coloring gray hair. Looking to expand the estimated $47 million men's hair coloring market (which does not include men who use women's products), Combe Inc., makers of Grecian Formula 16, are introducing Just for Men Shampoo-In Haircolor.

With an estimated 30 million men in the U.S. experiencing some degree of baldness, hair thinning supplements are taking on increasing importance. The American Medical Association reports by age 35, 38% of men will have thinning hair, at 45 years of age, 50%. In focus groups conducted by Aramis, 98% of the men noted that both thinning hair and a receding hairline were of key concern.

RETAIL SALES BY OUTLET TYPE

During the last decade, consumers are increasingly shopping in convenient food, drug and discount stores. Department stores still control 43% of the estimated $7.5 billion spent on all cosmetics and fragrances in 1987, but that share has dwindled; drugstores now snare 37%; food stores, 7%; and discounters, 13%, according to Advertising Age.

The U.S. Census Bureau has released data on sales of a broader classification of health and beauty aids by type of outlet, based on the 1982 census of retail trade. This is a complete census of all retail establishments with payroll in the U.S. and is part of the economic census program undertaken by the Census Bureau every five years.

Sales of prescription drugs were included in the totals for the health and beauty aids category for the first time in the 1982 census. This swelled drug and proprietary stores' share of total HBA sales. Since this Fact File does not cover prescription drugs, market shares were recalculated to account for over-the-counter products only.

RETAIL SALES BY OUTLET TYPE

Sales of Health & Beauty Aids By Major Type of Retail Outlet, 1982

	Sales By Outlet Type	
	Millions of $	Percent of Total
Health & beauty aids, total	$20,177(e)	100.0%
Drug and proprietary stores	7,304	36.2
Drug stores	6,759	33.5
Proprietary stores	545	2.7
General merchandise group stores	6,235	30.9
Department stores	4,802	23.8
Food stores	5,206	25.8
Grocery stores	5,165	25.6
Apparel and accessory stores	364	1.8
Other retailers	1,069	5.3

(e) estimated

Source: Based on U.S. Bureau of the Census: 1982 Census of Retail Trade (RC-82-1-3)

Separate information on cosmetic sales was reported in the 1982 Census of Retail Trade for department stores and for drug stores only. The Census Bureau includes fragrances in this category.

Department Store & Drug Store Sales of Cosmetics, 1982
(Dollar sales in thousands)

	No. of Stores		Sales of Cosmetics		
				% of Total Store Sales of--	
	Total	Selling Cosmetics*	Total	Stores Selling Cosmetics	All Stores
Department stores	9,981	9,328	$3,848,865	4.0%	3.9%
Drug stores	46,661	33,913	2,180,555	7.4	6.2

* Includes face creams, makeup, perfumes, etc.

Source: U.S. Bureau of the Census: 1982 Census of Retail Trade, Merchandise Line Sales (RC82-1-3)

Department Stores

Cosmetic counters in department stores are an integral part of their operation. The stores allocate space to the different vendors so as to maximize sales per square foot in the department. The salespeople at the counters are usually trained and paid by the vendor to work exclusively at promoting the manufacturers product lines. Vendors seeking additional footage in department stores try to entice the store with promises of increased advertising expenditures and promotional campaigns. A counter that is not generating sufficient revenue for the store risks losing its space in the department.

Department Stores (continued)

The National Retail Merchants Association compiles an annual report on merchandising and operating results by merchandise classifications in specialty stores (women's and family clothing stores) and department stores by total store sales volume groups. The following are median results based on actual dollar data submitted to the NRMA by cooperating companies.

Cosmetics, fragrances and toiletries sales in department stores registered a median gain of 10.3% in department stores with sales over $2 million in 1986. Median sales per square foot in the cosmetics, fragrances and toiletries departments were, $221, versus $129 per square foot for women's apparel. In department stores over $100 million in volume, net sales increased 11.8% in 1986 for the typical store.

Typical Merchandising & Operating Results of Cosmetics, Fragrances & Toiletries Departments, 1986

(Median results)

	Department Stores With	
	Sales Over $2 Million	Sales Over $100 Million
Number of reporting firms	47	27
Net sales, % change from last year	+ 10.3%	+ 11.8%
Sales, % of total store sales	6.2	7.1
Cumulative markon, %	40.2	39.9
Gross margin, % of sales (incl. cash discounts)	39.1	39.3
Markdowns, % of sales (incl. employee discounts)	1.6	0.8
Salespeople's salaries, % of sales	9.4	6.1
$ Sales per sq. ft. of selling space (main or largest selling unit)	$221.0	--
Number of stock turns (times)	2.1	2.4

Source: National Retail Merchants Association, Merchandising & Operating Results, 1986 (1987 edition)

Specialty Retailers

A recent trend of established retailers adding fragrances to their standard offerings is likely to continue. They have a built-in audience and the key ingredient-distribution, lessening the high cost of competition. A retailer who has created a niche in the market can probably create a demand for fragrances and cosmetics. A small counter display of fragrance or cosmetics takes up little space yet produces impressive sales. Fragrance gross margins, over 30%, are attractive.

Cosmetics and fragrances can produce as much as 10% to 12% of total store sales. For example, Benetton has introduced Color of Benetton fragrance and is planning its own line of cosmetics as well, according to Advertising Age. Industry watchers do not expect major department store retailers to enter the market. Bloomingdale's, Saks Fifth Avenue and Nieman-Marcus have had limited success with their own products in the past several years.

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug Stores, Mass Merchants

Value of Total Domestic Consumption & Spending in Grocery Stores, 1985, 1986

(Dollar figures in thousands)

	Value at (grocery store prices) of Total Domestic Consumption*			Amount Spent in Grocery Stores		
	1986	1985	% Change 1986/85	1986	1985	% Change 1986/85
Reported products, total	$11,037.3	$10,596.1	+ 4.2	$2,742.3	$2,623.6	+ 4.5
Cosmetics	4,599.6	4,406.3	+ 4.4	601.6	563.9	+ 6.7
Eye makeup products	2,472.9	2,385.6	+ 3.7	515.6	483.1	+ 6.7
Lipstick & Glosses	1,297.1	1,231.8	+ 5.3	44.1	42.1	+ 4.8
Makeup bases	677.7	649.2	+ 4.4	35.1	32.4	+ 8.3
Pressed cake powders/blush	151.9	139.7	+ 8.7	6.8	6.3	+ 9.0
Hair products	4,024.5	3,888.8	+ 3.5	1,580.4	1,534.5	+ 3.0
Coloring preparations	661.7	625.4	+ 5.8	94.7	90.5	+ 4.6
Cream rinses	149.5	149.2	+ 0.2	84.3	83.4	+ 0.9
Dandruff rinses	16.1	16.0	+ 0.8	5.9	5.8	+ 1.9
Men's hair dressings	136.3	136.8	- 0.4	68.4	67.9	+ 0.7
Shampoos	1,216.3	1,211.9	+ 0.4	761.7	751.1	+ 1.4
Other hair preparations, (incl. perm. wave kits)	945.4	891.3	+ 6.1	370.7	349.4	+ 6.1
Hair accessories (combs, barrettes)	899.1	858.0	+ 4.8	194.7	186.4	+ 4.5
Nail care products	527.7	507.1	+ 4.1	98.0	91.9	+ 6.7
Manicure implements	161.2	156.3	+ 3.1	43.5	41.4	+ 5.1
Nail polish enamel	311.5	297.3	+ 4.8	42.6	39.2	+ 8.9
Nail polish remover	55.0	53.5	+ 2.8	11.9	11.4	+ 4.7
Bath products	194.7	174.5	+11.5	43.6	37.5	+16.1
Bath salts/tablets/oils	122.0	106.0	+15.0	34.5	29.0	+18.8
Talcum, body powder	72.6	68.4	+ 6.1	9.1	8.5	+ 6.7
Skin care products	1,691.0	1,619.4	+ 4.4	418.7	395.8	+ 5.8
Face creams	709.6	704.7	+ 0.7	143.7	141.7	+ 1.3
Face lotions, astringents	116.6	115.8	+ 0.7	13.0	12.9	+ 0.8
Hand & body lotions	394.5	336.7	+ 7.6	158.9	147.0	+ 8.1
Hand creams	29.3	28.2	+ 4.0	7.4	7.1	+ 4.3
Lip protectors	37.0	35.0	+ 5.6	10.7	9.9	+ 8.8
Liquid facial cleansers	108.1	106.8	+ 1.2	30.6	30.1	+ 1.8
Suntan, sunscreen products	295.8	262.2	+12.8	54.3	47.0	+15.6

* Consumption covers total consumption, whether through purchases at retail stores or consumed in a beauty shop, institution, etc., valued at grocery store prices. These values, therefore, may generally exceed the value of over-the-counter retail sales of toilet goods.

Source: Supermarket Business: "40th Annual Consumer Expenditures Study" (September 1987)

RETAIL SALES BY TYPE OF OUTLET

Grocery Stores, Drug-Stores & Mass Merchants (continued)

A.C. Nielsen figures reveal the share of fragrances and cosmetics sold is growing the fastest in food stores. Food store's share jumped from 13% in 1986 to 18.7% last year; drugstores climbed slightly to 60.1%; discounter's share dipped from 24.4% to 21.2%.

The retailing sectors are beginning to blur, as women, caught in a time crunch, shop for cosmetics in food, drug and discount stores. Mass market companies are trying to emulate strategies more common to department stores, such as gift-with-purchase promotions. Both supermarkets and drug stores generally record far higher sales shares in cosmetics, toiletries and beauty aids than mass merchandisers. In 1986 drug stores recorded 61.0% of the after-shave market, 60.7% of cosmetics and 56.5% of face creams and lotions. Grocery stores held the highest share in mouthwash, shampoo and deodorants. Home wave kits were the best sellers in mass merchandisers, with hair color and hair fixatives, close second and third.

Beauty Aids Sales in Grocery Stores, Drug Stores & Mass Merchandisers
Percent Accounted for by Each Store Type, 1986

	Grocery Stores	Drug Stores	Mass Merchandisers
Mouthwash	52.5%	29.2%	18.3%
Shampoos	51.6	27.9	20.5
Deodorants	51.3	27.9	20.8
Shaving cream	47.6	31.9	20.5
Hair fixatives	45.6	29.7	24.7
Baby oil	45.5	30.3	24.2
Men's hair preparations	44.0	37.0	19.0
After-shampoo products	43.7	37.0	19.3
Mousse	39.9	36.5	23.6
Hand/body lotions	36.9	45.2	17.9
Bath oil	31.4	46.2	22.4
Suntan lotion/oils	27.8	51.8	20.4
Ethnic hair preprations	25.5	61.9	12.6
Face creams, lotions	24.9	56.5	18.6
Home wave kits	20.3	50.3	29.4
Hair color	18.7	53.9	27.4
After-shave lotions, colognes	16.5	61.0	22.5
Color cosmetics	17.9	60.7	21.4

Source: Nielson Review, 1987 (revised)

Monthly Consumer Sales Index*
(3-Year average monthly sales = 100)

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Ethnic	72	91	92	99	93	108	111	109	105	109	111	100
Fragrances (Wom.)	44	50	55	70	83	78	93	96	102	120	136	283
Grooming Aids	91	90	95	99	99	98	100	112	106	106	99	107
Hair Care	99	98	98	98	101	100	98	102	103	103	102	97
Toiletries (Men)	73	82	88	92	99	112	97	106	107	106	106	135
Skin Care	100	98	97	99	114	117	111	97	87	88	97	95

*Supermarkets with annual volume of $4 million and over.

Source: Nielsen National ScanTrak

RETAIL SALES BY TYPE OF OUTLET

Discount Stores

Once viewed as just a traffic lure, the health and beauty aids department is gaining new respect, especially in discount stores. Discount stores are changing their merchandise mix in response to demographic needs. Cosmetics and toiletries are generally being treated as special categories with appeal to the more affluent shoppers.

Discount Store Sales of Toiletries, 1986
(In millions of dollars)

	Sales	% of Total
Total Toiletries	$2,939.4	100.0%
Shampoos	373.2	12.7
Deodorants	340.0	11.6
Dentifricis	231.8	7.9
Accessories	212.4	7.2
Conditioners & Rinses	212.4	7.2
Ethnic Hair Care	209.7	7.1
Sprays	154.7	5.3
Coloring Agents	153.6	5.2
Colognes & Toilet Water	139.2	4.7
Face Make-up	113.7	3.9
Face Creams & Lotions	113.1	3.8
Hand & Body Creams	111.5	3.8
After Shaves, Colognes	103.7	3.5
Eye Makeup	79.3	2.7
Lipsticks	68.8	2.3
Permanents	62.7	2.1
Shave Creams	55.5	1.9
Suntan Products	38.8	1.3
Nail Polishes, etc.	38.8	1.3
Treatment Items	36.6	1.2
Men's Hair Preparations	30.5	1.0
Perfumes	30.0	1.0
Talcum & Dusting Powder	20.5	0.7

Source: Discount Merchandiser, July 1987

Beauty Salons

Beauty salons are expected to show retail sales for toilet goods products of $1.4 billion for 1987, according to U.S. Industrial Outlook. Their potential as outlets is still far from being realized, and product promotion in salons has been underemphasized. Yet demand for hair and skin care products and services through salons has risen dramatically, spurred by maturing baby boomers.

RETAIL SALES BY METRO MARKETS

The Top 25 Metropolitan Markets Based on Sales of Health & Beauty Aids, 1984

	Metropolitan Area	Sales (Mil. $)	% of U.S. Total
1	Los Angeles/Long Beach, CA	$788.9	3.8%
2	New York, NY	745.5	3.6
3	Chicago*, IL	636.0	3.1
4	Boston/Lawrence/Salem, MA	584.6	2.8
5	Detroit, MI	492.6	2.4
6	Washington, DC	484.3	2.3
7	Philadelphia, PA	406.6	2.0
8	Atlanta, GA	321.5	1.5
9	Houston, TX	302.9	1.5
10	Nassau/Suffolk, NY	285.8	1.4
11	Anaheim/Santa Ana, CA	228.4	1.1
12	St. Louis, MO	225.1	1.1
13	Miami/Hialeah, FL	214.3	1.0
14	Phoenix, AR	203.7	1.0
15	Dallas, TX	198.9	1.0
16	Minneapolis/St. Paul, MN	198.0	1.0
17	Cleveland, OH	194.1	0.9
18	San Diego, CA	182.9	0.9
19	Pittsburgh, PA	182.1	0.9
20	Oakland, CA	165.3	0.8
21	Newark, NJ	164.6	0.8
22	Bergen/Passaic, NJ	156.7	0.8
23	Riverside/San Bernardino, CA	154.0	0.7
24	San Francisco, CA	150.4	0.7
25	Kansas City, MO	149.7	0.7
	25 Metropolitan areas, total	$ 7,816.9	37.6%
	U.S. total	$20,801.5	100.0%

* The high-ranking status of Chicago is due, in part, to the catalog headquarter operations of Sears, Roebuck & Co.

Note: Sales & Marketing Management's definition of health & beauty aids includes health aids, cosmetics and other hygiene needs.

Source: Based on Sales & Marketing Management, "Survey of Buying Power", 1985
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RETAIL ADVERTISING

Percent of Year's Total Newspaper Retail Advertising Linage On Cosmetics Each Month

Total Cosmetics	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
100.0%	3.1	10.2	9.8	8.2	10.0	5.0	4.7	8.4	9.1	9.7	8.2	13.6

Source: Advertising Checking Bureau, Inc. 1986

CONSUMER PRICES

The overall level of consumer prices for toilet goods and personal care appliances, as measured in the Consumer Price Index, gained 2.9% in 1987, slightly less than the 3.3% rise in the price index for these goods from 1985 to 1986.

Cosmetics, bath and nail preparations, etc., registered a 2.4% gain in price levels at retail in 1987 compared with 1986.

Consumer Price Index For Toiletries & Cosmetics, 1985-1987
(1982-1984 = 100, unless otherwise noted)

	Annual Averages		% Change
	1987	1986	1987/86
All items	113.6	109.6	+ 3.6%
Personal care	115.1	119.9	+ 2.9
Toilet goods & personal care appliances	113.9	111.3	+ 2.3
Cosmetics, bath & nail preparations, manicure & eye makeup implements	114.6	111.9	+ 2.4
Other, including hair & dental products & small personal care appliances	113.6	111.0	+ 2.3

Source: U.S. Bureau of Labor Statistics:
CPI Detailed Report, January 1987

THE POTENTIAL MARKET/BUYING PATTERNS

The predominant characteristic in the nation's changing population mix is the aging of the baby boomers. In 1981, the total population age 18 to 24 years, traditionally the heaviest and most experimental makeup users, was at an all-time high of 30.4 million. This segment has been declining ever since and will drop to an estimated total of only 24.1 million by 1994. The population age 18 to 24 will not start to increase again until 1997, when the baby-boomers' children mature.

The Mature Woman

The cosmetics industry is adapting to the changing demographics by marketing a greater variety of products designed to lessen the aging process. Consumers are turning more toward moisturizing bath products and makeups, improved sun protectants, and therapeutic brands using a scientific anti-aging process such as Estee Lauder's Prescriptives and L'Oreal's Biotherm.

Products specifically developed to attract the over-50 age group are targeted for a growing and increasingly affluent segment of the population. One in four Americans, or almost 63 million, is age 50 or older. By the year 2000, the 50-plus population will grow by 25%, triple the growth of the under 50 segment. Mature adults currently have 42% of the nation's disposable income, and half the discretionary income, controlling 77% of the nation's financial assets. In addition the average per-capita income of the mature market is $1,200 above the national average of $9,300.

The Mature Woman (continued)

Fifty-plus consumers today are busier, healthier and more mobile than any previous generation of consumers. They perceive themselves as 6 to 10 years younger than their chronological age, and think of "old" as beginning at 75. They can be fiercely loyal to products, services and companies, according to Donnelly Marketing.

Simmon's 1986 Study of Media and Markets examined purchasing patterns of women 50 plus in comparison with the rest of the population. Older women are 16% more likely than all women to be heavy users (five or more times per week) of bath and shower additives. Women age 55 to 64 are 23% more likely to be heavy users. Fifty plus women are 13% more likely to be heavy users (8 or more times per week) of loose face powder. In general older women are average users of lipstick and lip gloss--and 12% more likely to be medium users (2 to 3 times daily). They are only medium users of facial moisturizers, averaging one use daily, and are less inclined to use foundation. They show low usage of blusher, mascara, eyeliner, and eye shadow. Women age 55 to 64 are 23% less likely to use perfume, and slightly more likely to be light users.

Usage of Cosmetic and Toiletry Items
By All Women Versus Women Age 50 & Over

	Percent Using	
	All Women	Women 50 Plus
Perfume, Cologne & Toilet Water	84.1%	79.8%
Cologne	60.1	61.2
Perfume	49.1	37.6
Facial Moisturizer	57.1	53.4
Lipstick, Lip Gloss	78.1	79.3
Nail Polish	61.7	51.5
Eye Shadow	55.9	34.1
Mascara	58.2	33.6
Eyeliner	42.0	22.1
Hand & Body Cream, Lotion or Oil	85.8	83.7
Hair Spray	56.9	58.4
Hair Coloring Products	23.5	25.7

Source: 1986 Study of Media and Markets
Simmons Market Research Bureau

Ethnic Markets

Black consumers represent the fastest-growing segment of the personal products market. The black population will grow to 31 million in 1990, wielding $200 billion in purchasing power, according to American Health & Beauty Aids Institute (AHBAI). Sales of all toiletries and cosmetics to black consumers topped $2.7 billion in 1986, with hair-care preparations making up approximately 40% of those sales, according to Business Trends Analysts. Health and beauty aid purchases are expected to grow to $3 billion in 1987. Growth in dollar volume of ethnic personal care products has averaged in excess of 12% during the past five years. Nielsen figures for mass merchandisers show the long-term trend is for black hair products to consistently outperform H&BA in general.

Ethnic Markets (continued)

As the black woman enters the work force in higher positions and greater number, as her income rises (in 1986, 21.1% of black families in the U.S. had incomes above $35,000, 8.8% had more than $50,000), so does her demand for high quality products, packaging, and shades.

Increased brand awareness, product-line extensions, rising demand due to demographic shifts and the development of more extensive distribution networks will help to underwrite continued growth. Blacks spend three to five times more on personal care products than the average white consumer, according to the AHBAI. The AHBAI recently launched a $2 million campaign encouraging black consumers to buy black-manufactured beauty aids, as general market companies account for 50% of the ethnic hair care market.

Discounters more than doubled ethnic hair care market share between 1986 and 1987, according to the AHBAI. According to C.H. Kline, the category totaled $340 million in 1987. Drugstores continue to command well over half the market in ethnic hair preparations--at roughly 70% of the market, ethnic hair care is the single highest volume ethnic health & beauty aids product. Sales increases of just under 10% in 1986 were down considerably from increases that topped 50% in 1981. A major shift in black women's hairstyles, from a curlier look to straighter, easier to manage hair began around 1985 and continues today. The rising popularity of low maintenance straight hair styles is making it difficult for manufacturers to sustain, much less increase, 1987 sales volume. With the trend towards softer hairstyles, relaxers showed the most growth--more than 10%, versus 3% for the category as a whole. Although the growth in 1987 was primarily from relaxers, hair grooming aids comprise the largest segment of the category. Market share is shrinking in terms of dollars because most of today's styles don't require maintenance and relaxer products. A vendor battle for market share will spur ethnic health and beauty aids manufacturers to cut prices, develop innovative new products, launch new promotions and increase co-op advertising expenditures during 1988.

There are 18.9 billion Hispanics in the U.S. making up five billion households, and this population will grow at the rate of 3% a year through 1990. By the year 2,000, its likely that consumers with Spanish surnames will be the largest single ethnic group, comprising 12% of the population, according to the Bureau of the Census. The hispanic market's aggregate household income, although starting at a lower base, is growing at a faster rate than that of whites or blacks. These consumers represented an estimated $123.4 billion in purchasing power in 1987, which will grow to $172 billion in 1990, according to Strategy Research Corp. They remain, however, a difficult target group to reach as they are by no means a homogenous group of individuals.

A study of the hispanic market conducted by Yankelovich, Skelly and White (YSW) determined that nearly 80% of Hispanics pay more attention to how long a product lasts in relation to its price; that compares to 65% of the total U.S. population. An overwhelming 82% said once they select a brand, they are not likely to switch. That compares to 63% of the total U.S. population. Other surveys have noted that because of brand loyalty, coupon usage is considerably lower for Hispanics (44%) than the U.S. average (76%).

POTENTIAL MARKETS

Ethnic Markets (continued)

Hispanic consumers prefer name brands and designer fragrances. Many Hispanics who are not proficient in English rely heavily on the color and package of the cosmetic or fragrance to determine what product they use, according to Product Marketing. The New York Market Product Use Study, conducted by Research Resources concluded that usage of cosmetics and fragrance in the Hispanic market is generally higher compared to the non-Hispanic segment, according to the surveyed female heads of households over 18 years of age. Eye beauty products, facial make-up, facial moisturizers and lip care products are purchased by 70% to 85% of the Hispanic population, compared to only 60-70% of the Anglos.

According to the survey, 27% of New York Hispanics shop drugstores, 24% buy HBA in the supermarket; 23% rely on the health and beauty aids stores, and 14% shopped in mass merchandiser department stores. That compared to Anglos who shopped drugstores (41%); supermarkets (31%); HBA stores (11%); and mass merchandiser/department stores (13%).

Women in General

In August 1985, Self magazine surveyed a cross-section sample of 1,186 women in the U.S. ages 18 to 65, in their "National Study of Women; Beauty Product Purchasing Habits and Attitudes." The study concludes that income has little relevance to beauty product selection; women will spend their means for perceived benefits: over 49% say that they will pay more if the product works for them. Most consumers do not equate price with effectiveness; less than 5% agreed strongly that the more you spend on beauty products the better you look. Most women (56%) feel that cosmetics are overpriced, and almost 60% of the women surveyed would greatly prefer to save money rather than get something that they didn't specifically want (such as a gift with purchase). The young, single working woman leads in dollars spent.

According to Self magazine's survey, cosmetics consumers are far more color loyal than brand loyal. Style and fashion is not very important: 85% state that they buy shades they like, not what's "in". The 25 to 34 age group leads the percent of brand changers. Over 43% of all consumers of cosmetics frequently mix products of different manufacturers, but over one-third agree strongly that it is easier to buy products in the same line. Advice from friends is more likely to be followed if the friend is a man: almost 40% of women surveyed would stop using specific makeup if the man in their life disliked it.

A higher percentage of single than unmarried women use skin cream products and fragrances, but more married women use cosmetics than singles. Single women are above-average drugstore and department-store shoppers. Married women, on the other hand, are above average in buying direct or from discounters. Single women are greater experimenters, but a bit more brand-loyal in an industry with little brand-loyalty.

Projected Beauty Product Usage, Women Age 18 to 65
(In a 4-Week Period)

	Percent Used Product
Skin Care	96.2%
Hand Lotions	74.5
Deodorants	69.9
Facial Moisturizers	56.7
Body Moisturizers/Lotions	56.7
Anti-Perspirants	55.2
Cleansing Lotions	37.7
Lip Protector	28.8
Toner\Astringent	27.9
Complexion Bar	22.1
Facial Mask	21.1
Cleansing Grains/Scrubs	18.9
Eye Cream	14.8
Lip Repair Cream	10.1
Cellular-Renewal/Repair	9.5
Neck Cream	7.5
Cosmetics	89.0
Lip Color (Stick)	66.9
Mascara	65.3
Blusher	65.0
Eye Shadow	61.9
Nail Polish/Enamel	54.4
Foundation	52.2
Eyeliner	40.1
Face Powder	37.4
Eyebrow Pencil	33.6
Nail Care Products	29.5
Lip Gloss	26.7
Hair Care Products	96.2
Shampoo-Regular	88.5
Conditioner	59.9
Spray	48.7
Styling Mousse	33.2
Creme Rinse	31.9
Color	18.0
Styling Gel/Lotion	16.8
Shampoo - Medicated	16.0
Home Permanent	9.3
Highlighter	3.8
Henna Rinse	2.8
Fragrances	89.2
Cologne	60.7
Perfume	55.3
Eau de Toilette	8.6
Scented Dusting Powder/Talc	44.5
Bath Oil	17.5
After-Bath Splash	12.6

Source: Mark Clements Research & NFO,
Self Magazine: *1986 Beauty Study*

POTENTIAL MARKETS/BUYING PATTERNS

Women in General (continued)

Perfume usage is inversely proportionate to income. Lower income women are more inclined to "splurge" on perfume, while upper-income women are more likely to receive perfume as a gift. The higher the income, the less a woman is likely to be influenced by what is "in". Experimenters with style and color tend to be the lower-income and middle-income consumers, reports the Self survey. Affluent household spent over $3 billion on cosmetics and fragrances in 1987; this according to a survey by Mendelsohn Media Research of households with incomes over $50,000.

Other Self Magazine Survey findings:

Women who work full-time understandably use more cosmetics overall, but part-time workers (who tend to be older) use far more lipstick. Non-working women are influenced more by the man in their lives; workers, more by their favorite magazines. Women who work part-time are closer to homemakers in their purchasing of and attitudes toward beauty products than they are to women who work full-time.

The 18 to 24 year olds are the biggest users of makeup, and a higher percentage of this age group are heavy users. They prefer lip gloss to lipstick and are by far the leading users of nail enamel. They lead in percentage of regular-shampoo and hair conditioner users, and 50% agree stongly that hair is the most important part of their appearance. Perfume is heavily favored over cologne, and they alternate scents depending on their mood. They demonstrate the least resistance to price of any other group and tend to consider a man's opinion more than others. This age group favors department stores because they like to shop for cosmetics, experimenting at beauty counters. They demonstrate a greater affinity for department-store brand promotion techniques (gift with purchases).

Point of Purchase
Of Beauty Products By Women Age 18 to 65

	Cosmetics	Fragrances	Skin Care	Hair Care
Drugstore	39.5	28.6	40.2	43.6
Department Store	41.9	56.2	34.5	25.7
Supermarket	16.6	6.0	25.9	44.9
Direct (Avon, Mary Kay)	21.6	15.3	19.6	5.5
Discount Store	6.3	3.5	6.5	8.9
Mail Order	1.3	1.2	1.1	na
Beauty Salon	na	na	na	5.9
Other	5.1	4.1	5.1	5.1

na not available

Source: Mark Clements Research & NFO,
Self Magazine: 1986 Beauty Study

Women in General (continued)

Overall the backbone of the beauty industry is the 25-34 year old, the age when most women establish both brand loyalties and style preference. There is a sharp increase in the use of hand and facial products. Women begin to feel concern regarding the effects of the aging process. Over 60% of women in this age group, a higher percentage than any other group, feel strongly that if a skin care product works, cost is irrelevant. Overall usage of hair care products is higher than any other age group. Almost 50% say the don't have as much time to shop for makeup as they once had, and increases in drugstore and supermarket purchases were noted. Color loyalty is strong and enduring.

The 35 to 49 year old group seems to have lost faith in moisturizers as an aid to defering the aging process of skin. They feel, however, more strongly than any other group that moisturizers soften skin. They have faith in scientific claims for skin treatment products and will spend more for a product that works for them. Women 35 to 49 use more lipstick than any age group. At this age, however, age all kinds of eye makeup usage drops precipitously. At age 35, hair color usage rises substantially along with creme rinse and highlighted usage. These women feel that hair spray looks unnatural in greater percentages than other women, but they haven't turned to mousses and gels quite as readily as their younger counterparts

The Self study also noted that the fitness boom and exercising focuses a woman's attention more upon her total looks.

Women Age 18 to 65
Cause of Increased Self-Care Activities

Self Esteem	64.7%
Job Promotion/Job Change	22.9
Desire to Please Others	19.4
Major Life Change (Marriage/Divorce/Separation)	17.0
More Media Coverage on Self Care	5.7

Primary Sources of Beauty Information

Magazines	66.9%
Friends or Relatives	47.1
Advertising	38.6
Television	33.0
Package Labels	28.9
In-Store Displays	28.8
Store Counter Consultants	22.6
Cosmeticians	21.9
Books on Beauty	16.6
Newspapers	9.9
Radio	4.9

Source: Mark Clements Research and NFO,
Self Magazine: 1986 Beauty Study

POTENTIAL MARKETS/BUYING PATTERNS

Teens

The purchasing power of America's 26 million teens is significant; and, since most girls are introduced to beauty products for the first time during these years, they can be influenced to become loyal customers. Girls age 16 to 19 spend 28% of their discretionary income on beauty products, according to Product Marketing. In 1985 teen expenditures for beauty products exceeded $3.7 billion, according to Rand Youth Poll. Department stores have captured 26% of teen sales, but they make 42% of their purchases in drugstores.

Seventeen Magazine conducted a survey of 1,089 members of their consumer panel on use of cosmetics in 1986. Findings are balanced by age and geographic area to Census data to reflect all girls 13-19 in the U.S. The study concludes that eye makeup, followed by blusher, nail polish and chapped lip balms are the most often used products among teen girls. Compared to a year ago, over half are using more eye color/liner and lipstick. Between 55% and 87% of the users of cosmetics (except for nail care products) use them at least once a day. The price paid for cosmetic products ranges between $3 and $5 on the average. Drugstores followed by department stores are where teen girls prefer to purchase their cosmetic products.

Usage of Cosmetics by Teen Girls, Age 13-19

	Percent Using Product		Percent Using Product
Eye Make-Up	97.2%	Lip Gloss	70.3
Blusher	92.7	Spot Cover-Up	62.8
Nail Polish	90.8	Eye Makeup Remover	56.6
Chapped Lip Balm	90.8	Nail Strengthener/Hardener	53.0
Nail Polish Remover	86.3	Flavored Lip Gloss	47.5
Lipstick	83.7	Contour Shadow	27.8
Face Powder	71.9	Highlighter/Gleamer	17.6
Foundation	70.7		

Teen Users of Cosmetics Frequency of Purchases
(Of Girls Using Each Product)

	More Than Once A Month	Once A Month	Every Two Months	Every Three Months	Every Four-Six Months	Every Seven-Twelve Months	Once A Year Or Less Often
Blusher	4.8%	8.4%	18.1%	18.7%	26.9%	15.4%	7.7%
Mascara	6.4	14.8	22.9	20.7	22.3	8.4	4.5
Eye Shadow	5.8	15.5	19.0	19.2	20.2	14.1	6.2
Eye Colorer/Liner	6.6	13.5	21.7	19.6	21.6	10.0	7.0
Eyebrow Coloring	1.8	5.3	15.1	10.2	26.5	20.4	20.7
Face Powder	5.9	11.7	22.1	22.3	18.7	11.0	8.3
Foundation	4.5	14.0	22.0	17.9	21.0	12.1	8.5

(continued)

POTENTIAL MARKETS/BUYING PATTERNS

Teens

Teen Users of Cosmetics Frequency of Purchases
(Of Girls Using Each Product)
(continued)

	More Than Once A Month	Once A Month	Every Two Months	Every Three Months	Every Four-Six Months	Every Seven-Twelve Months	Once A Year Or Less Often
Lipstick	8.8	24.5	19.1	18.0	15.1	9.2	5.3
Lip Gloss	11.7	18.7	13.9	16.5	20.0	10.6	8.6
Spot Cover-Up	4.2	10.4	16.8	20.2	22.0	11.9	14.5
Highlighter/Gleamer	5.6	8.7	15.6	16.6	22.4	11.7	19.4
Contour Shadow	5.8	6.3	19.2	22.1	17.9	14.1	14.6
Nail Polish/Brush	12.4	16.3	19.7	15.4	17.4	10.9	7.9
Nail Polish (Pen)	8.4	7.4	19.5	12.5	14.8	17.3	20.1
Strength/Hardener	6.7	11.8	13.8	20.9	17.7	13.4	15.7

Source for above two tables: Seventeen: Cosmetic Survey, 1986

Place of Purchase By Teen Users of Cosmetics*
(Of Girls Using Each Product)

	Dept. Store	Drug Store	Disc. Store	Super-Market	Other**
Blusher	35.2%	42.0%	15.0%	13.5%	29.5%
Mascara	26.8	49.0	17.4	16.8	27.7
Eye Shadow	35.3	51.0	19.4	14.9	31.0
Eye Colorer/Liner	33.0	49.3	17.0	13.8	32.1
Eyebrow Coloring	30.1	46.3	16.5	9.7	43.6
Face Powder	31.7	45.6	17.8	14.1	28.7
Foundation	36.0	42.7	14.3	13.0	28.3
Lipstick	36.4	51.0	18.8	14.7	36.8
Lip Gloss	25.7	53.1	16.2	14.5	36.3
Spot Cover-Up	27.4	49.5	18.5	12.2	23.3
Highlighter/Gleamer	27.2	35.7	19.2	7.9	39.6
Contour Shadow	28.7	44.7	19.5	10.8	30.3
Nail Polish/Brush	27.2	61.0	21.5	20.1	36.4
Nail Polish (Pen)	21.0	57.3	21.0	18.8	27.4
Strength/Hardener	21.4	53.6	20.9	15.4	31.7

* Percentages in each row add to more than 100% due to multiple mentions
** Includes beauty salons, variety stores, door to door sales and others

Source: Seventeen: Cosmetic Survey, 1986

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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Home Textiles
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HOME TEXTILES

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HOME TEXTILES & RELATED PRODUCTS

Market Trends

Concentration of manufacturing in the home textiles industry, which resulted in the consolidation of six major mills into three megamills in 1985-1986 has continued. In 1988, a partnership formed by WestPoint Pepperell (which had held the 4th largest share of the U.S. sheet market) and the NTC Group acquired the largest U.S. sheet producer, J.P. Stevens, again changing the lineup of major suppliers.

Shipments of major types of home textiles by U.S. mills registered a modest gain in 1987 compared with 1986, with the factory value of sheets up 7.5% and units up 1.1%. The value of shipments of finished terry towels rose 7.5% with a 1.0% gain in units. Shipments of curtains and draperies were reported to be up 5% in value.

HFD, The Weekly Home Furnishings Newspaper, reported over-the-counter retail sales of home textiles and window treatments (not including area rugs and broadloom) totaled $12.7 billion in 1987, up 9.4% over the comparable 1986 total of $11.6 billion. Gains were reported both in fashion-forward and commodity products.

Changes in ownership at the mill level, as well as among large retailers, are making both retailers and manufacturers cautious in their outlook for business in 1988, according to trade sources. In the first quarter of 1988 compared with the same 1987 period, the Census Bureau reported the value of shipments of sheets (not including crib) rose 3% but units were down 4.6%. Pillowcase shipments declined 0.4% in value; 6% in units; terry towels were up 7.8% in value, 8.8% in quantity. A slowdown in growth in home textiles markets is expected, according to a report by Fiber Industries, which projects an annual growth rate of less than 1% over the next five years.

Market demand is strongest in upgraded, coordinated lines and ensembles. In response to demand, mills are stepping up the variety of coordinated textile products as well as offering a variety of accessory items and nontextile items, either produced by the mills or in cooperation with other manufacturers. For example, Springs is building a new facility for comforters and accessories as part of their commitment to the total bedroom ensemble. Cannon has introduced vinyl coated wall paper borders coordinated with sheet sets. Upgrading of ensembles is a dominant trend, as well as coordination in packaging as well as design, and cross merchandising.

Licensing has created instant cross-merchandising capabilities for retailers, and also enabled manufacturers' to fill voids in their assortments and to target niche markets. Among the most successful and well-know licenses are Laura Ashley and Ralph Lauren, both used by J.P. Stevens for domestics. Stevens also licenses Collier Campbell, Eileen West, Manual Canovas and John Baudrand in its department store line and Gloria Vanderbilt and Pierre Cardin for the mass market. Fieldcrest's licenses include Stately Homes, J.G. Hook, Alexander Julian and Howard Kaplan, while Cannon licenses include Versailles, Katja, Jay Spector, and Beatrix Potter's Peter Rabbit. The Bibb Co. targets the juvenile market with novelty licenses, such as Snoopy; Dundee has the Disney Babies collection, and other licenses are being used to target specific segments of the market.

Market Trends (continued)

The upscale market is the focal point of Springmaid's Bill Blass license. Fashionable, trend-setting designs are key in WestPoint Pepperell's licenses, which include Espirit, Liberty of London, Givenchy and Perry Ellis. Wamsutta, known for its in-house studio designs, also has built a successful franchise with its licensed Christian Dior collection.

Other home textile manufacturers are offering designer collections. In the curtain and drapery industry, for example, Cameo recently signed an agreement with Paolo Gucci to produce bedroom ensembles. Other curtain and drapery manufacturers feature licenses to take advantage of consumer interest in a particular strong trend. In table linens, manufacturers are offering patterns to coordinate with china and dinnerwear. Novelties play a role in table linens, especially vinyl products, and Disney is well received in this, as well as in shower curtains and bath products.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all manufacturers in the U.S. with one or more paid employees is compiled by the U.S. Department of Commerce, Bureau of the Census, every five years. The latest census covers 1982 results. In intercensal years the Census Bureau conducts a survey among a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity.

The following table covers results reported for manufacturing plants classified in the Home Textiles, Curtain & Draperies and Blind/Shade Industries, as defined by SIC codes, and based on the plants' or mills' primary product.

Total shipments of plants classified in the Home Textiles, n.e.c. Industry amounted to $4.0 billion in 1986, up 2.1% compared with 1985. Industry shipments by plants in the Curtains & Draperies Industry amounted to about $1.5 billion, up 11% over the previous year. Reflecting consumer demand, the best results were in alternative window coverings. Plants classified in the Drapery hardware, Blinds & Shades Industry registered a 6.6% gain in value of industry shipments, which reached a total of close to $1.6 billion in 1986.

Home Textiles, n.e.c.
(SIC 2392*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	882	--
Number of establishments	na	892**	886**	958	--
Number with 20 or more employees	na	373**	398**	399	--
Employees, total (thous.)	48.5	47.5	46.8	49.3	+ 1.6%
Production workers (thous.)	39.8	39.3	38.7	39.8	-0-
Payroll (mil. $)	$649.6	612.2	588.4	518.2	+25.4
Value added by manufacture (mil. $)#	1,412.0	1,405.2	1,371.5	1,249.0	+13.0
Value of industry shipments (mil.$)##	4,035.7	3,951.4	3,800.0	3,262.2	+23.7
Capital expenditures, new (mil. $)	43.5	38.7	57.7	38.8	+12.1

GENERAL INDUSTRY STATISTICS

Curtains & Draperies
(SIC 2391*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	1,327	--
Number of establishments	na	1,284**	1,271**	1,371	--
Number with 20 or more employees	na	252**	398**	254	--
Employees, total (thous.)	27.8	25.6	25.2	24.1	+15.4%
Production workers (thous.)	22.6	20.5	21.0	19.7	+14.7
Payroll (mil. $)	$323.5	300.3	272.4	233.7	+38.4
Value added by manufacture (mil. $)#	685.6	589.1	562.0	442.1	+55.1
Value of industry shipments (mil.$)##	1,530.7	1,379.0	1,282.7	1,062.0	+44.1
Capital expenditures, new (mil. $)	10.4	6.8	7.5	6.3	+65.1

Drapery Hardware, Blinds & Shades
(SIC 2591*)

	1986	1985	1984	1982	% Change 1986/82
Number of companies	na	na	na	404	--
Number of establishments	na	414**	420**	435	--
Number with 20 or more employees	na	140**	130**	127	--
Employees, total (thous.)	18.2	18.4	17.7	15.7	+15.9%
Production workers (thous.)	13.7	14.2	13.5	11.7	+17.1
Payroll (mil. $)	$ 296.2	294.9	174.2	223.7	+32.4
Value added by manufacture (mil. $)#	748.5	692.3	660.8	556.6	+34.5
Value of industry shipments (mil. $)##	1,570.6	1,473.6	1,354.2	1,114.4	+40.9
Capital expenditures, new (mil. $)	15.9	26.1	35.1	31.3	-49.2

n.e.c. not elsewhere classified
na not available

* Manufacturers are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made in reported establishments (plants), as shown below:

SIC 2391 covers establishments with paid employees primarily engaged in manufacturing curtains and draperies from purchased materials. Manufacturers of lace curtains made on lace machines are not included.

SIC 2392 (officially designated "House Furnishings, n.e.c.") covers establishments with paid employees primarily engaged in manufacturing home textiles from purchased materials, including towels, sheets, blankets, comforters, bedspreads, pillowcases, pads; also slip covers, tablecloths (fabric and plastic), pillows, mops, garment bags, etc. Floor covering mills are not included. Weaving mills which also produce finished home textile products (sheets, tufted bath mats, blankets, etc.,) are not included in this industry, nor are electric blankets (made in electric housewares industry). (Information on these products is, however, included in the section on PRODUCT SHIPMENTS.)

(footnotes continued)

GENERAL INDUSTRY STATISTICS

SIC 2591 covers establishments with paid employees primarily engaged in manufacturing curtain and drapery rods, poles and fixtures, venetian blinds and other window blinds and sahdes, regardless of the materials used, except canvas shades and awnings.

** County Business Patterns, U.S. Bureau of the Census. (Each business location (plant) is separately counted as an "establishment".)

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished product inventories. It avoids the duplication in value of production which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of home textiles or curtains, and draperies by manufacturers classified in other industries, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census, Census of Manufactures, 1982; Annual Survey of Manufactures, 1984, 1985, 1986

Employment & Earnings

Employment in the U.S. mills and plants manufacturing home textiles picked up in 1987 following flat results in 1986 compared with 1985. In the curtain and drapery industry, employment levels averaged 4.7% over 1986; in other home textile plants, the employment level in 1987 averaged 5.8% over the 1986 average.

Compared with the 1982 average, employment in both segments of the industry rose better than 12%. (Employment figures compiled by the Census Bureau may not match those reported below, which are compiled by the Bureau of Labor Statistics, due to some differences in the methodology used in the compilations.)

Production worker employment in the curtain and drapery industry was up 5.3% over the 1986 average and almost 12% above the 1982 level, according to the BLS. Comparable gains in production worker employment in the manufacture of other home textiles were 5.6% and 15.1%, respectively.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Home Textiles Manufacturing: 1982, 1985-1987

	Annual Averages				% Change	
	1987	1986(r)	1985	1982	87/86	87/82
Home textiles, n.e.c.(SIC 2392)						
All employees (thous.)	52.9	50.0	50.0	47.1	+ 5.8	+12.3
Production workers (thous.)	44.9	42.5	42.7	39.0	+ 5.6	+15.1
Avg. weekly earnings	$238.51	$230.06	$223.85	$195.14	+ 3.7	+22.2
Avg. hourly earnings	6.10	5.96	5.86	5.10	+ 2.3	+17.5
Avg. weekly hours	39.1	38.6	38.2	37.6	+ 1.3	+ 4.0
Curtains & draperies (SIC 2391)						
All employees (thous.)	26.9	25.7	25.6	24.0	+ 4.7%	+12.1%
Production workers (thous.)	21.8	20.7	20.7	19.5	+ 5.3	+11.8
Avg. weekly earnings	$214.85	$209.25	$202.45	$162.75	+ 2.7	+32.0
Avg. hourly earnings	5.76	5.58	5.37	4.65	+ 3.2	+23.9
Avg. weekly hours	37.3	37.5	37.7	35.0	- 0.5	+ 6.6

(p) preliminary
(r) revised
n.e.c. not elsewhere classified

(See page 3 for SIC definitions; SIC 2591 is not separately covered in published BLS reports.)

Source: Bureau of Labor Statistics:
Employment & Earnings

As of March 1988, employment in home textile plants classified in SIC 2392 averaged 53.8 thousand. This was 5.7% over the 50.9 thousand averaged in the same month a year ago. The pickup in employment was less in the curtain and drapery industry--the total averaging 26.8 thousand in March 1988 vs. 26.6 thousand a year ago.

Information on plants in terms of employment size is compiled annually by the Census Bureau and published in the County Business Patterns reports. While most plants are small, with fewer than 20 employees, particularly in the manufacture of curtains and draperies, those with upwards of 100 employees represent a major portion of industry employment, and of industry shipments.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Distribution of Plants Manufacturing Home Textiles & Related Products By Employment Size: 1985

Industry & Employment Size:	Plants No.	Plants %	Employment (mid-March) No.	Employment (mid-March) %
Home textiles, n.e.c.	892	100.0	45,464	100.0
Under 20	519	58.2	3,396	7.5
20 - 99	249	27.9	11,790	25.9
100 - 499	118	13.2	25,148	55.3
500 or more	7	0.8	5,130	11.3
Curtains & draperies	1,284	100.0	26,097	100.0
Under 20	1,032	80.4	5,336	20.4
20 - 99	207	16.1	8,802	33.7
100 - 499	39	3.0	8,161	31.3
500 or more	6	0.5	3,798	14.6
Drapery hardware, blinds, shades	414	100.0	19,077	100.0
Under 5	148	35.7	(D)	--
5 - 19	126	30.4	1,286	6.7
20 - 99	96	23.2	4,030	21.1
100 - 249	27	6.5	3,934	20.6
250 - 499	9	2.2	3,535	18.5
500 - 999	6	1.4	3,804	19.9
1,000 or more	2	0.5	(D)	(D)

(D) Withheld to avoid disclosure of individual operations.

Source: U.S. Bureau of the Census:
County Business Patterns 1985 (U.S.)

Sales and Marketing Management Magazine conducts an annual survey on Industrial & Commercial Buying Power, which appears in the April issues of the publication. According to the latest study, covering 1987, plants with 100 or more employees producing curtains and draperies accounted for 59% of industry shipments; in the home textiles industry, plants of this size held a 67% share of industry volume; in the drapery hardware, blinds, shades industry, large plants held a 66% share. (Information on industry consolidations and market shares will be found in the PRODUCT SHIPMENTS section of this Fact File.)

GENERAL INDUSTRY STATISTICS

Location of the Industry

The latest detailed information on U.S. manufactures by state are reported in the 1982 Census of Manufactures. North Carolina and New York State are leaders in the production of home textiles, with California and Massachusetts also playing an important part in the production of curtains and draperies. In hardware, California and Texas were leading States in 1982.

PRODUCTION

Quarterly and annual reports on produciton of sheets and terry towels by U.S. manufacturers are issued by the Census Bureau. As noted in the summary table below, the 1987 level of output in sheets lagged behind peak years, but in sheets other than crib there was a gain compared with 1986.

Production of flat sheets went up 1.0% compared with 1986 but was 15.6% below the peak of 10.3 million dozen reported in 1978. Fitted sheet production in 1987 was up 4.1% over 1986, but about 11.5% below the peak of almost 7 million dozen reported in 1976.

Production of crib sheets has fluctuated considerably in recent years. The 1987 total was 5% below 1986, and marked a lowpoint in a 13-year span. Pillowcase production last year managed a 2.1% increase over 1986, but was 16.6% below the over-15 million dozen produced in 1984.

Terry towel output was strong last year, reaching over 52 million dozen and gaining 4.5% over 1986. This was a new peak for the industry.

Summary of Production of Sheets, Pillowcases & Terry Towels: 1975-1987
Thousands of dozens)

	Sheets				
Year	Crib	Flat	Fitted	Pillowcases	Terry Towels
1987	494	8,698	6,169	12,627	52,425
1986	520	8,610	5,923	12,312	50,182
1985	543	8,925	6,023	13,174	44,974
1984	653	10,149	6,324	15,147	46,954
1983	824	10,232	6,739	14,950	49,742
1982	642	8,937	5,908	12,382	41,117
1981	641	10,102	6,669	14,441	44,931
1980	694	9,932	6,599	14,694	43,957
1979	695	9,770	6,102	14,257	47,118
1978	659	10,310	6,494	13,727	44,976
1977	632	9,711	6,573	13,950	45,124
1976	732	9,836	6,968	13,964	45,556
1975	683	9,092	6,344	12,337	41,442

Source: U.S. Bureau of the Census:
Current Industrial Reports (MQ23X(85)-5)

Figures on production of other types of home textiles are included in the annual report, Cotton Counts Its Customers, issued by the National Cotton Council of America. The 1988 edition includes preliminary figures for 1987.

PRODUCTION

Production of Selected Home Textiles by Type: 1986, 1987

	Unit of Measure	1987(p)	1986(r)	% Change 1987/1986
Curtains, excluding shower	1,000 sets	128,287	119,090	+ 7.7%
Lace		3,166	2,638	+20.0
Other, principally woven		125,121	116,452	+ 7.4
Cafe, tiered & cottage		70,734	64,304	+10.0
Ruffled		6,901	6,274	+10.6
Shortie drapes		12,000	12,078	- 0.6
Tailored		35,486	33,796	+ 5.0
Drapery, upholstery & slip cover fabrics	1,000 lin. yds	1,036,617	941,850	+10.1
Drapery fabrics		562,884	516,600	+ 8.9
Mainly woven		494,340	449,400	+10.0
Lining, woven		68,544	67,200	+ 2.0
Upholstery & slip cover fabrics	1,000 lin. yds	473,733	425,250	+11.4
Coated		43,380	51,030	-15.0
Knit		4,338	10,206	-57.5
Woven		39,042	40,824	- 4.4
Uncoated, principally woven		430,353	374,220	+15.0
Window shades, woven, plastic & nonwoven	1,000 units	24,162	23,458	+ 3.0
Wall covering fabric (woven & nonwoven)	1,000 sq. yds.	169,973	171,690	- 1.0
Slip covers, furniture, excluding plastic	1,000 units	4,973	4,875	+ 2.0
Knit		4,590	4,250	+ 8.0
Slip covers		1,148	1,125	+ 2.0
Throw covers		3,442	3,125	+10.1
Woven (throw covers)		383	625	-38.7
Comforters & quilts, excluding filling	1,000 units	21,644	19,676	+10.0
Bedspreads	1,000 units	27,844	26,769	+ 4.0
Quilted		17,950	16,776	+ 7.0
Tufted		2,080	2,000	+ 4.0
Woven		7,814	7,993	- 2.2
Jacquard		3,220	3,157	+ 2.0
Other woven		4,594	4,836	- 5.0

(continued)

Production of Selected Home Textiles by Type: 1986, 1987
(continued)

	Unit of Measure	1987(p)	1986(r)	% Change 1987/86
Mattress covers	1,000 units	2,677	2,650	+ 1.0%
Pads, quilted, excluding filling	1,000 units	28,716	29,240	- 1.8
Bassinet, crib & furniture, woven & plastic		4,806	5,340	- 10.0
Mattress, woven		23,910	23,900	+ 0.04
Pillows & cushions, excluding filling, woven	1,000 units	46,353	43,920	+ 5.5
Bed		25,127	23,705	+ 6.0
Decorative		21,226	20,215	+ 5.0
Textile table cloths, napkins & place mats, excluding plastic	1,000 sq. yds.	131,396	127,279	+ 3.2
Damask		15,840	17,600	- 10.0
Lace		19,602	17,820	+ 10.0
Other, woven		95,954	91,859	+ 4.4
Coated		21,057	19,143	+ 10.0
Uncoated		74,897	72,716	+ 3.0
Rugs & bathmats 6' x 9' or smaller	1,000 sq. yds.	65,800	64,476	+ 2.0
Towels & washcloths, total	1,000 pounds	113,544	108,751	+ 4.4
Terry		79,138	75,148	+ 5.3
Towels		53,735	50,182	+ 7.1
Wash cloths		25,403	24,966	- 1.7
Other		34,406	33,603	+ 2.4
Blankets & blanketing	1,000 units	91,098	88,437	+ 3.0
Bed		84,115	81,665	+ 3.0
Thermal woven		27,384	24,600	+ 11.3
Other woven & non-woven		56,731	57,065	- 0.6
Crib & receiving		6,983	6,772	+ 3.1
Thermal woven		1,174	1,151	+ 2.0
Other woven & non-woven		5,809	5,621	+ 3.3

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts Its Customers, 1988 Edition

Fiber Consumption in Home Textiles & Related Products

Consumption of textile fibers in U.S. production of home textiles and related products reached a peak of 1,914.5 million pounds in 1986, according to the Textile Economics Bureau. This was almost 3% above the 1985 total of 1,859.5 million pounds and 12% above the 1980 total of 1,712.2 million pounds.

Cotton accounted for almost 53% of the reported 1986 total, up from a 45.7% share of the 1980 total. In contrast, the share of total fiber consumption in home textiles represented by manmade fibers in 1986 was 46.4%, compared with their 53.4% share in 1980. Total consumption of cotton fibers in 1986 gained 28% over the 1980 total, while manmade fibers were down 2.7%. Note: linen and silk are not covered in the TEB totals on fiber consumption.

Fiber Consumption in Home Textiles & Related Products: 1980, 1985, 1986
(Millions of pounds)

			Fibers		
	Year	Total	Man-Made	Cotton	Wool
Total	1986	1,914.5	889.0	1,007.6	17.9
	1985	1,859.5	952.7	889.1	17.7
	1980	1,712.2	913.7	783.1	15.4
Bedspreads/Quilts	1986	141.9	80.0	61.9	--
	1985	134.4	77.2	57.2	--
	1980	128.2	73.0	55.2	--
Blankets/Blanketing	1986	72.8	51.1	17.4	4.3
	1985	73.5	54.6	14.8	4.1
	1980	109.1	97.2	7.9	4.0
Sheets/Pillow Cases/ Pads, etc.	1986	502.3	254.8	247.5	--
	1985	494.3	269.3	225.0	--
	1980	507.9	263.8	244.1	--
Towels/Toweling	1986	461.7	31.9	429.8	--
	1985	391.5	22.3	369.2	--
	1980	328.5	35.3	293.2	--
Curtains	1986	92.9	77.0	15.9	--
	1985	99.3	87.5	11.8	--
	1980	89.5	80.1	9.4	--
Draperies/Slipcovers/ Upholstery	1986	555.4	331.8	210.0	13.6
	1985	532.8	333.8	185.4	13.6
	1980	484.3	325.2	147.7	11.4
Tablecloths/Napkins/ Shades & Misc. Products	1986	87.3	62.2	25.1	--
	1985	133.7	108.0	25.7	--
	1980	64.7	39.1	25.6	--

Source: Textile Economics Bureau, Inc.: Textile Organon, September 1987

PRODUCTION

Fiber Consumption in Home Textiles & Related Products (continued)

The National Cotton Council of America compiles annual reports on the percentage of total material consumption in specific products which is accounted for by cotton. The percentage reported is a weighted calculation involving 100% cotton materials plus the cotton content of blends and mixtures.

The availability of higher-thread count cotton fabrics, competitive pricing, improved finishes and wide assortments in colors and patterns has sharply increased the popularity of cotton in home textiles. In an analysis of U.S. production, the National Cotton Council found that cotton accounted for 56% of the sheet and pillow case fiber consumption in 1987 compared with 42% in 1984. In bedspread production, cotton upped its share of fibers from 41% in 1984 to 51% in 1987, with gains registered in quilted and woven types. Usage of cotton in tufted spreads, however, declined from 48% to 36% in this period.

A sharp rise was noted in cotton's share of fibers consumed in the production of thermal blankets in this period--from 23% to 35%.

Cotton's Share of Total Material Consumed By Product: 1984-1987

	1987(p)	1986(r)	1985(r)	1984
Sheets & pillow cases, except crib	56%	56%	48%	42%
Crib sheets	95	95	95	94
Towels & wash cloths	96	96	96	94
Knit	96	96	96	89
Woven	96	96	95	94
Bedspreads	51	45	42	41
Quilted	40	32	28	25
Tufted	6	14	24	48
Woven	86	79	75	73
Blankets & Blanketing	26	24	19	13
Bed	25	23	18	12
Thermal woven	35	33	27	23
Other woven & nonwoven	19	18	14	7
Crib & receiving	42	40	39	33
Comforters & quilts, excluding filling	54	53	50	46
Curtains, excluding shower	20	18	13	11
Drapery, upholstery & slip cover fabrics	33	30	28	26
Drapery	25	22	19	20
Upholstery & slip cover	40	37	35	30
Mattress covers, woven & plastic	13	13	14	14
Pads, quilted, except filling	39	36	34	34
Pillows & cushions, excluding fillings	46	44	43	41
Slip covers, furniture, excluding plastic		20	20	30
Textile table cloths, napkins, place mats, excluding linen	38	43	43	50
Rugs & bathmats 6' x 9' or smaller, tufted	13	14	12	7
Window shades, woven; plastic; nonwoven	13	15	22	25
Wall covering fabric (coated), woven & nonwoven	34	36	39	42

(p) preliminary
(r) revised

Source: National Cotton Council of America:
Cotton Counts Its Customers, 1988 Edition

PRODUCT SHIPMENTS

Leading U.S. Producers/Market Share

The most recent information compiled by the U.S. Census Bureau on the share of shipments by U.S. manufacturers of specified home textiles, window coverings and related products accounted for by the largest manufacturers is reported in the 1982 census of manufactures results, as noted below.

Share of Total Value of Shipments of Specified Products
Accounted For By the Largest Companies: 1977, 1982

	Value of Shipments (mil. $)	Percent Accounted for by the Largest Companies:			
		Top 4	Top 8	Top 20	Top 50
Sheets, pillowcases					
1982	$ 1,156.3	60%	89%	nr	nr
1977	906.3	59	90	nr	nr
Towels, wash cloths					
1982	964.0	80	94	nr	nr
1977	693.0	82	95	nr	nr
Bedspreads, bedsets made from purchased fabric					
1982	331.4	28	44	72	93
1977	300.4	29	45	71	92
Curtains, draperies, except lace					
1982	1,008.3	20	32	45	59
1977	936.7	25	35	47	59
Window shades, accessories					
1982	181.0	57	76	91	98
1977	140.3	72	83	91	98
Venetian blinds					
1982	406.5	62	73	84	95
1977	89.6	68	78	89	97
Other shades, blinds; rods, poles, etc.					
1982	301.8	71	85	95	99+
1977	329.7	68	78	89	97

nr not reported

Source: U.S. Bureau of the Census, 1982 Census of Manufacturer: Concentration Ratios in Manufacturing, Subject Series (MC82-#-7)

Since 1982, tremendous changes have occurred in the composition of the home textiles industry in the U.S. Details on the major acquisition and mergers in 1985-1986 have been covered in the 1986 edition of the Home Textiles Fact File. Three megamills emerged in this period with these combinations: Springs/Lowenstein, Fieldcrest/Cannon, and Stevens/Burlington's Domestics Division. The value at retail of the combined home textiles shipments of the three giants has been estimated by industry observer Seymour Seidman at $3 billion.

PRODUCT SHIPMENTS

Leading U.S. Producers/Market Share (continued)

After a very brief pause for assimulation, the industry is again undergoing consolidations. In May 1988, Magnolia Partners, L.P.--a partnership formed by West Point Pepperell, Inc. and the NTC Group Inc.--acquired J.P. Stevens. Portions of the company, including Stevens' Auto Products, Apparel Fabrics, Residential and Commercial Carpet, and Industrial Products divisions were sold to Odyssey Partners Group, New York. (This became a new private company, JPS Textile Group, Inc., Greenville, S.C.)

The Bibb Co., a sheeting mill owned by the NTC Group, which is based in Macon, Ga., was launched as a broad-based domestics supplier with significant market shares when it acquired 20% of Stevens' sheeting business, consisting of the institutional lines, and about 50% of its towel capacity, including institutional products and private labels--predominantly for J.C. Penney Co. and Sears, Roebucks & Co. (volume estimated at $70 million).

Bibb's new terry division has sales estimated at $150 million. The company's total sales more than doubled with the acquisition of Stevens' operations, from $200 million to an estimated $450 to $550 million. Bibb's share of the towel and sheet market is estimated at 10 to 15% each, according to the chairman of the company, Tom Foley (HFD June 13, 1988). Fieldcrest/Cannon and the second largest towel resource, West Point, together claim about 80% of the market; and Bibb is in a close race for the number three position with Dundee Mills, according to this source.

West Point had purchased Cluett Peabody & Co. in January 1986, thereby becoming the largest publicly-owned textile firm. A combined West Point/Pepperell/Stevens places first in the bed linen market. Steven's branded towel and sheet operations were reported to add about $540 million in annual sales to West Point's operations (reported at $1.7 billion in the year ended Sept. 26, 1987).

Division of the bed linen and the towel markets before the acquisitions noted above, and an estimate on the market profile afterwards, have been reported as noted below (with some variation from later estimates quoted in HFD on June 13, as noted above). To allay fears expressed among retailers that consolidation of major mills would result in less product innovation and higher prices, West Point-Pepperell has announced plans to run Stevens as a separate entity.

PRODUCT SHIPMENTS

Leading U.S. Producers/Market Shares (continued)

The Bed Linen Market

	Market Share	
	Before Purchase of Stevens by West Point	After Purchase of Stevens by West Point
Springs Industries	28%	28%
J.P. Stevens	28	--
Fieldcrest/Cannon	20	20
West Point-Pepperell	14	36
Bibb	6	12
	The Towel Market	
Fieldcrest/Cannon	45%	45%
J.P. Stevens	20	--
West Point-Pepperell	15	25
Bibb	0	10

Source: Prudential Bache Securities; Bibb Co.
(The New York Times, April 26, 1988)

Another source, Grace Taferner, analyst with First Manhattan, places West Point/Stevens' share of the bed linens market at 37 to 38%, up from 16% before the purchase, and the share of towel business held by the new company at 27%, up from West Point's 15%.

Just as the announcement of West Point Pepperell's acquisition of J.P. Stevens & Co. was made, the company received an unsolicited notice that Farley, Inc., an investment company, was seeking to acquire West Point. (The principal owner of Farley, Inc., William F. Farley, is chairman and chief executive officer of Fruit of the Loom.)

Mill consolidations are resulting in fewer resources for home textiles, but are increasing opportunities for small mills and foreign producers. According to an analysis of industry trends in The Seidman Report (HFD, April 25, 1988), the big textile mills are expected to remain the dominant source for basic sheets and towels. However, demand for fancy merchandise including satin sheets, all-cottons, and sheets made of non-traditional sheeting material, for fancy towels, and for specialties and accessories is growing.

Leading U.S. Producers/Market Shares (continued)

Smaller, specialized mills have an edge in supplying this demand as well as matched sets, shams, dust ruffles, and specialized products. The smaller mills are catering to the independent linen shops and smaller retailers. Mill consolidations are seen as fostering the development of cross merchandising involving both retailers and manufacturers in other industries; thereby broadening product categories offered, as non-textiles share space with textile products as retailers fill gaps in available bed linens/towels.

Poly/cotton blend sheets, which represented 95% of U.S. shipments in the early 1980's, according to Seymour Seidman, are expected to represent about 70% in 1988. The balance will represent 3.5 million dozen sheets and cases, worth close to $300 million at retail--a market in which the smaller mills will have a major stake. Smaller towel mills may be helped by having an edge inprompt delivery of specialized products which are now growing in popularity, such as embellished, appliqued and print towels, and kitchen ensembles, to the tune of an estimated wholesale value of $450 million, according to Seidman.

As a counter measure, some large mills are developing specialized operations. For example, Cannon Mills, the terry bath towel leader, has created a separate, and wholly specialized, kitchen division which has its own sales, marketing and design staffs.

Retailers are generally enthusiastic about trading up in towels and other home textiles to offset declining profit margins as prices are cut to meet competition in standard lines. While embellished towels, etc., may not represent a large share of retail volume, they account for a much larger portion of profits. Coordination of upscale merchandise of all types within the framework of home textiles and related products adds attractive opportunities for retailers.

The value of Industry Shipments covered in the GENERAL INDUSTRY STATISTICS Section includes plants classified in a specific SIC industry code (based on their primary product) figures on the total value of all products shipped by the plant, including secondary products plus miscellaneous receipts.

The value of Product Shipments, on the other hand, covers the total value f.o.b. plant, of specified products shipped by all producers regardless of the plants' primary industry classification. Annual reports, based on a survey among a sample of manufacturers, covering product shipments in broad groups of home textiles and related products, are issued by the Census Bureau to provide key information for years between the complete census of manufactures taken every five years.

In 1986, the value of shipments of specified home textiles, plus alternative window treatments and related hardware, was reported at $8.1 billion. This represented a 5% gain over the 1985 total of $7.7 billion. Results varied considerably by product category, as noted in the following table.

PRODUCT SHIPMENTS

Producer Price Levels

Producer (Factory) Price Index: December 1987
(1982=100 unless otherwise indicated)

	Base Period	Index
Home textiles		101.9
Bed clothes		103.9
Spreads, sets		105.7
Blankets	6/87	102.6
Other home textiles	6/83	101.5
Towels, washcloths		96.2
Draperies		114.4
Curtains, except lace	6/84	103.7
Other home textiles	6/83	101.3

Source: U.S. Department of Labor, Bureau of Labor Statistics

Value of Shipments of Specified Products: 1984-1986
(Millions of dollars)

	1986	1985	1984	% Change 86/85
Total value of reported products	$8,111.5	$7,724.5	$7,508.3	+ 5.0%
Reported home textiles, total	6,723.6	6,398.2	6,275.4	+ 5.1
Bedspreads, bedsets (made from purchased fabric)	398.9	375.7	340.3	+ 6.2
Sheets, pillow cases, total	1,181.3	1,250.0	1,227.7	- 5.5
Purchased fabric	682.9	813.5	740.6	-16.0
Made in weaving mills: man-made fibers, chiefly man-made	498.4	436.5	487.1	+14.1
Towels, washcloths, total	1,229.3	1,161.6	1,283.7	+ 5.8
Purchased fabric	420.4	394.4	433.1	+ 6.6
Made in weaving mills: cotton	711.3	658.2	705.9	+ 8.1
Made in weaving mills: man-made, chiefly man-made fibers	97.6	109.0	144.7	-10.4
Blankets made in weaving mills: wool, chiefly wool	20.9	20.9	20.4	-0-
Other home textiles not including products made in weaving mills (blankets, comforters, table coverings, chair pads, etc.)	2,043.1	1,933.1	1,689.1	+ 5.7
Other home textiles, n.e.c., n.s.k.*	423.4	388.7	465.2	+ 8.9
Curtains, draperies, except lace	1,426.7	1,268.2	1,249.0	+12.5
Other window coverings, drapery hardware, etc., total	1,387.9	1,326.3	1,232.9	+ 4.6
Window shades, accessories		247.2	211.9	+ 7.0
Venetian blinds	612.9	581.9	541.1	+ 5.3
Other shades, blinds; rods, poles, etc.	510.6	497.2	479.9	+ 2.7

n.e.c. not elsewhere classified
n.s.k. not specified by kind
* Not including products made in weaving mills.

Source: U.S. Bureau of the Census: Annual Surveys of Manufactures

PRODUCT SHIPMENTS

The following table covers product shipments reported in the 1982 and 1977 Censuses which are more detailed than the Annual Survey of Manufactures reports. (The 1987 Census is now underway, but published reports will not be available for about two years.)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982

(Millions of dollars)

	1982(r)	1977
Total, reported home textiles & related products	$6,422.0	nr
Bedspreads and bedsets	402.8	$400.3
Made from purchased fabric	331.4	nr
Made in weaving mills	71.4	nr
Types:		
Tailored, quilted	178.5	nr
Wholly or chiefly cotton fabric	56.7	nr
Wholly or chiefly manmade fiber fabric	121.8	nr
Tailored, nonquilted	32.2	nr
Wholly or chiefly cotton fabrics	9.2	nr
Wholly or chiefly manmade fiber fabrics	23.0	nr
Nontailored, tufted	16.2	nr
Nontailored, not tufted	141.1	nr
Wholly or chiefly cotton fabric	55.7	nr
Wholly or chiefly manmade fiber fabric	85.4	nr
Type not specified	34.8	nr
Sheets and pillowcases	1,833.9	906.3*
Made from purchased fabric	677.6	479.5
Made in weaving mills, man-made fibers, silk	1,156.3	426.8
Towels and washcloths	1,050.2	693.0
Made from purchased fabric	355.9	276.6
Made in weaving mills		
chiefly cotton	608.1	416.4
chiefly manmade fiber	86.2	nr
Blankets, woven, total	181.3	nr
Made from purchased fabric	102.7	nr
Made in weaving mills	78.6	nr
Size:		
Adult	124.2	nr
Crib	57.1	nr
Blankets, nonwoven fabrics	89.6	102.0
Shower bath curtains, including plastics, coated fabrics and all other	125.5	885.7
Quilted products, except bedspreads:		
Comforters (bed)	196.7	81.6
Convertible sleeping bags	8.5	
Mattress protectors	79.7	76.6
Other, including wadded quilts and baby pads	23.4	18.7

(continued)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982

(Millions of dollars)
(continued)

	1982(r)	1977
Tablecloths, total	$ 134.3	103.8
Plastics or plastic coated or laminated	43.8	46.6
All other	90.5	57.2
Napkins	38.8	24.5
Place mats and sets, including plastics	34.6	17.8
Other related articles except lace (dresser covers, scarfs, bridge sets, doilies, etc.)	17.5	21.3
Bed pillows:		
Foam rubber & other materials	213.5	108.7
Fancy pillows & cushions	128.5	85.7
Foam rubber	31.6	21.5
Other materials	96.9	64.2
Slip covers		
Furniture (fabric, plastics, other)	19.7	55.5
Mattress	7.3	18.5
Other	9.7	6.8
Bags (laundry, wardrobe, shoe, storage)	30.5	21.4
Curtains & draperies, except lace	1,008.3	936.7
Window curtains	289.5	233.8
Wholly or chiefly cotton	58.2	45.6
Wholly or chiefly manmade fiber fabrics	205.7	170.5
Other materials, including plastic	25.6	17.7
Draperies (all lengths)	840.6	439.6
Wholly or chiefly cotton	82.1	127.3
Wholly or chiefly manmade fiber fabrics	279.6	285.7
Other materials, including plastic	58.6	26.6
Curtains & draperies, type not specified	298.5	263.3
Window coverings, other than curtains & draperies (alternative window treatments)		
Shades & accessories	181.0	140.3
Plastic window shades	108.4	63.0
Other window shades	54.1	48.6
Shade accessories & rollers sold separately	9.6	18.7
Window shades & accessories, type not specified	9.0	10.0
Venetian blinds & parts, total	406.5	99.0
Complete venetian blinds, vertical & horizontal		
Aluminum slat blinds	245.4	52.3
Other, wood, plastics, etc.	84.8	nr

(continued)

Value of Shipments of Home Textiles & Related Products By All U.S. Producers: 1977, 1982

(Millions of dollars)
(continued)

	1982(r)	1977
Venetian Blinds & Parts (continued)		
Unassembled venetian blinds, parts, components, etc.	$ 70.7	nr
Venetian blinds, type not specified	5.7	13.0
Other shades and blinds, curtain and drapery rods, other hardware	301.8	320.3
Shades, blinds, hardware, etc., type not specified	111.9	55.7

(r) revised
* Data for 1977 on sheets and pillowcases is not exactly comparable to 1982 information.
nr not reported

Source: U.S. Bureau of the Census: Census of Manufactures, Industry Series, (MC82-1-23E)

Bed Linens, Towels

The quarterly and annual reports on U.S. manufacturing of bed linens and towels issued by the Census Bureau cover details on shipments, as well as on production. In 1987 sheet shipments (not including crib sheets), valued at $940.9 million (f.o.b. plant), were up 7.0% over the 1986 value reported at $879.7 million. This reversed the 3.5% decline reported in shipments in 1986 compared with 1985. In terms of units, sheet shipments excluding crib were up 6.5% last year over 1986, but the 14,773 thousand dozen shipped was below the 1985 total of 14,870 thousand dozen.

The value of shipments for terry towels was $994.3 million in 1987, representing a 7.5% increase over the 1986 value totaling $924.9 million. Quantity of shipments increased from 50,010 thousand dozens in 1986 to 50,536 thousand dozen in 1987, an increase of 1.1%.

As noted in the section on PRODUCTION, output of sheets and towels shows a slowdown in growth. Future growth among manufacturers in the home textile industry appears to rely more heavily on expanding into related, coordinated lines, including nontextiles, rather than on the expectation of expanding consumer demand for sheets and towels.

Manufacturers are to an increasing extent developing total bedroom treatments, including bed linens, comforters, shams and skirts plus window treatments. Bath ensembles include coordinated towels and washcloths, bath mats and window treatments, plus such accessories as coordinated towel racks, hampers, soap dishes, waste baskets and the like.

PRODUCT SHIPMENTS

Bed Linens, Towels (continued)

Quality & Value of Shipments of Sheets & Pillowcases By U.S. Mills: 1986, 1987

	Quantity (thous. dozens)		Value (millions of $)	
	1987	1986	1987	1986
Sheets & pillowcases, total	27,590	26,332	$1,226.9	$1,148.6
Crib size	507	528	19.2	19.1
Sheets, excluding crib	14,773	13,877	940.9	879.7
Flat sheets	8,630	8,141	556.0	520.2
Fitted sheets	6,143	5,736	384.9	359.5
Thread count:				
195 & over	1,083	724	112.0	78.8
180 to 194	7,593	6,964	525.7	486.0
135 to 179	933	1,137	52.6	65.1
125 to 134	1,926	2,201	97.8	111.7
Under 125	3,238	2,851	152.8	138.0
Fabric:				
Polyester/cotton blends	11,880	11,448	720.0	694.3
Other fabrics	2,893	2,429	221.0	188.5
Size:				
King	1,764	1,668	164.6	154.1
Queen	3,091	2,783	252.6	227.9
Full	4,439	4,303	262.8	257.3
Twin	5,037	4,833	241.2	228.2
Single & smaller	442	290	19.6	12.3
Flannel sheets	474	426	37.5	36.6
Pillowcases (except crib)	12,310	11,917	266.8	249.7
Thread count:				
195 & over	928	683	38.7	28.8
180 to 194	6,571	6,178	148.1	137.9
Under 180	4,811	5,056	80.0	83.0
Fabric:				
Polyester/cotton blends	9,933	9,747	195.6	190.4
Other fabrics	2,377	2,170	71.1	59.3
Special Counts				
Branded retail shipments of sheets & pillowcases (except crib)	18,363	17,422	850.2	806.1
Upstairs brand	7,634	7,565	426.9	425.9
Open brand	10,729	9,857	423.2	380.1
Sheet sets (excluding water bed)	2,885	2,503	467.4	395.2
Waterbed sheet sets	179	212	27.0	28.9

Source: U.S. Bureau of the Census:
Current Industrial Reports MQ23X(87)-5

PRODUCT SHIPMENTS

Bed Linens, Towels (continued)

According to the Census Bureau, the institutional market represented 15% of total U.S. shipments of sheets in terms of units, 14.1% of the value in 1987. Comparable figures for pillow cases were 17.4% and 10.3%, respectively.

Of total unit shipments of sheets 180 count or greater, private label accounted for about 15% in 1987, down from 19.8% in 1985. In terry towels, private label represented 16.1%, up from 14.5% in 1985.

Quantity & Value of Shipments of Terry Towels & Other Terry Products: By U.S. Mills: 1986, 1987

	Quantity (thous. doz.)		Value (mil. $)	
	1987	1986	1987	1986
Finished terry towels*	50,536	50,010	$ 994.3	$ 924.8
Type:				
Sheared	13,941	13,668	205.5	197.9
Nonsheared	36,595	35,342	788.8	726.9
End use:				
Kitchen	4,992	6,155	46.6	47.5
Bath	22,126	23,394	588.1	556.9
Hand, guest, etc.	20,892	18,130	254.4	229.2
Bath/tub mats	785	688	27.2	23.3
Other (queen/king size, bath sheets, beach towels bath mats)	1,741	1,643	78.0	67.9
Terry towels sold for further processing elsewhere (e.g. blankets)	(D)	(D)	(D)	(D)
Terry washcloths	25,162	25,137	153.0	144.9
Special summary date on towels:				
Branded retail shipments of towels & washcloths	41,880	39,314	704.1	636.4
Upstairs brand	6,105	6,109	202.1	185.5
Open brand	35,775	33,205	502.0	450.8
Huck & crash towels	15,237	16,526	11.7	14.9
Terry cloth sold by the yard				
Other terry products:	18,706**	21,015**	36.4	41.2
Pot holders, aprons, dishcloths, etc.	3,685	7,449	22.6	32.5

* To the extent that this yardage is fabricated into towels and washcloths, there is duplication in the figures.

**In thousands of square yards.

(D) Data withheld to avoid disclosure of figures for individual companies.

Source: U.S. Bureau of the Census, *Current Industrial Reports*, MQ23X(87)-5

PRODUCT SHIPMENTS

Bed Linens, Towels (continued)

Quantity & Value of Shipments of Sheets, Pillowcases & Other Terry Products By Distribution Channel: 1987

	Total	Branded Retail*	Private Ticket Retail**	Export***	Institutional & Other#
Sheets (except crib)					
Less than 180 count:					
Quantity	100.0%	72.2%	12.7%	3.1%	12.0%
Value	100.0	73.8	12.0	3.2	11.0
180 count & greater					
Quantity	100.0	65.3	14.9	2.7	17.1
Value	100.0	67.6	14.2	2.6	15.6
Pillowcases					
Quantity	100.0	67.4	12.7	2.6	17.4
Value	100.0	73.6	13.8	2.9	10.3
Terry towels					
Quantity	100.0	58.5	16.1	(D)	(D)
Value	100.0	61.1	17.6	(D)	(D)
Washcloths, terry					
Quantity	100.0	48.9	14.6	(D)	(D)
Value	100.0	65.9	14.2	(D)	(D)

(D) Data withheld to avoid disclosure of figures for individual companies.

* Branded retail: sales of company brands including premium goods, drops (closeouts) and seconds sold to domestic consumers through all types of retailers.

** Private ticket retail: sales with retail identification -- with or without a manufacturer's corporate identification but not with a manufacturer's brand name.

*** Exports: includes only direct company shipments for export, not export shipments handled through jobbers or distributors.

# Institutional & other: includes domestic distribution only, and includes all Federal and State contract business, commercial accounts (hotels, etc.) which are sold on a contract basis, and shipments to dealers who are involved in resale to the institutional trade.

Source: U.S. Bureau of the Census,
Current Industrial Reports MQ23X(87)-5

Kitchen towel and kitchen ensembles including pot holders, appliance covers, dish cloths, etc., matched to towels, have become big business. According to Seymour Seidman (The Seidman Report, HFD July 4, 1988) shipments of kitchen towels by U.S. mills are currently at about $50 million, and another $30 million worth of accessories are sold. In addition, the value of shipments by printers who buy terry blanks for printing (such as Franco Mfg. Co.) and imports, more than doubles total kitchen volume. Manufacturers are adding to their offerings for the kitchen to include rugs (slices), coordinated chair pads, etc., to provide complete kitchen ensembles.

Beach towels are becoming a year-round item as customers respond to their whimsical appeal or vibrant colors. U.S. mills concentrate on solid color body sheets, with shipments currently estimated at $90 million this year in larger size body sheets. In addition, smaller independents' shipments are valued at over $100 million, mostly in beach prints and wovens.

PRODUCT SHIPMENTS

Blankets, Spreads, Comforters

In recent years U.S. blanket producers have seen a decline in shipments of conventional blankets as retailers and consumers focused more attention on fashion items; such as comforters, shams, dust ruffles, spreads, to update bedrooms. However, there was an upturn in 1987. Unit shipments of blankets rose almost a million to 28.8 million compared with 1986's 27.9 million. Dollar value at mill cost level rose from $193.2 million to $205.7 million, an advance of 6.5%.

Trends in Shipments of Blankets By U.S. Mills: Selected Years, 1978-1987
(Millions of Units)

1987	28.8
1986	27.9
1984	25.8
1980	36.3
1978	37.6

Source: Trade information

The biggest gain in 1987 was in all-cotton blankets represented by the thermal weaves. Unit shipments were up 36.3% over 1986; dollar value at mill cost jumped 44%. Trade observers look for continued growth in this market as heavier weights for year-round use are promoted. However, costs are rising sharply on cotton, as well as wool. Increases are also being reported in manmade fiber prices. Of all bed blankets, manmade fibers are reported to represent 80% of the dollar volume; cotton and wool, 20%.

Shipments of Blankets By Fiber Type: 1986, 1987
(Millions of Units)

	1987	1986	% Change
Total shipments of blankets	28.8	27.9	+ 2.8%
100% nylon	7.5	7.4	+ 1.3
100% polyester	7.9	7.8	+ 1.3
100% cotton	4.5	3.3	+36.3
100% wool/chiefly wool	0.7	0.8	-12.5
Chiefly cotton	1.9	2.4	-20.8
Man-made fiber blends	6.3	6.4	- 1.6

Source: Trade information

Another big mover in 1987 were throws which, according to The Seidman Report, gained 17% in value of U.S. manufacturers' shipments in 1987. Jacquard cotton throws registered the best gain, and are expected to grow. This category covers a wide range of styles, and several sizes in cottons and acrylics--the latter mostly imports. Throws are used as lap robes inside and outside the home, and are in year-round demand. A new development is electrified throws.

Blankets, Spreads, Comforters (continued)

The Seidman Report (HFD May 9, 1986) noted a gain in woven blankets over non-wovens in 1987. All-wovens were reported to be up nearly 12% in mill dollars compared with 1986, while non-wovens gained only 1.5%. The average cost of a conventionally woven blanket last year was reported at $10.15 vs. $6.15 for non-wovens.

The three biggest U.S. blanket manufacturers are Fieldcrest-St. Marys-Cannon; Beacon and Owens, according to Seidman. Other mills are strong in segments of the market: Martex shares position with Fieldcrest among department stores and better linen shops, according to Seidman; Pepperell is a factor in the mass discount market. Other mills, such as Faribo, Tennessee and Chatham, have niches with quality labels.

Domestic mills and curtain/drapery makers are in direct competiton in the bed covering arena. Mills have intensified their commitment to the bedspread area and to the whole bedroom ensemble business, placing more emphasis on total room treatments based on their sheeting patterns and well-known designer collections.

Spreads and comforters are part of the skirmish for market shares by new manufacturer contenders. Comforters are made and sold by three different types of manufacturers: domestic mills which make them to coordinate with sheet patterns, curtain and drapery manufacturers who do them as part of window treatment ensembles and bed pillow manufacturers who make comforters, and often spreads, as freestanding items. The last group can be split even further by those who use down, those who use fiberfill, and those who use both in their comforters.

In line with the popularity of the total look in bedroom decor, comforter manufacturers are offering coordinated bedskirts and shams. The fashion appeal of comforters plus utility as a bed covering providing warmth, have worked to the disadvantage of bedspread volume in recent years. According to The Seidman Report (HFD Feb. 29, 1988), 10 years ago the bedspread industry did some $400 million at cost; current volume is estimated at no more than 5% above that figure; and unit volume has declined. Tufted spreads are about 10% below their peak of 17 million units. Flat wovens have also experienced a dramatic drop in units.

As prices increased, market demand has turned from tufted and wovens to quilted spreads, which now represent about two-thirds of the business. (Formerly, the market was evenly divided among the three types.)

Electric Blankets/Bed Coverings

Shipments of electric blankets and other bed coverings have declined in recent years. In 1987, according to The Seidman Report (HFD, March 28, 1988), unit shipments of blankets were estimated at 3.8 million--about half the 7 million shipped in the peak year, and comparing with shipments of 4.7 million units reported by the Census Bureau for 1986.

PRODUCT SHIPMENTS

Electric Blankets/Bed Coverings (continued)

Quantity & Value of Shipments of Electric Bed Coverings: 1984-1986
(Thousands of units; millions of dollars)

	1986		1985		1984	
	Quantity	Value	Quantity	Value	Quantity	Value
Electric						
Blankets	4,688.8	$122.7	4,785.6	$128.0	4,939.9	128.6
Other bed coverings	674.7	140.0	810.6	17.2	653.8	13.8

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Electric Housewares & Fans (MA36E)

Automatic blankets enjoyed a peak in popularity in the 1970s during the energy crisis. Concerns over the safety of automatic blankets, a lessening of consumer concern about fuel costs, and generally milder winters in recent years have resulted in a delcine in demand. The current popularity of natural fibers and comforters is another factor in the fall-off in electric blanket sales.

The industry has kept dollar volume from falling as sharply as units by adopting improved, high tech controls and up upgrading from polyester/acrylic blends to 100% acrylic shells. The largest U.S. producers, Northern Electic and Fieldcrest, have developed thermostat-less models that respond to body temperature.

U.S. manufacturers are also broadening and diversifying offerings. Northern Electric launched a heated throw in response to the booming throw category; the company has also developed a fleece bedwarmer with zoned heat. Electric pads with a million unit market are being produced by Chatham and Northern Electric as well as Fieldcrest Cannon.

Northern is reported to account for 2 million out of the 3.8 million electric blankets shipped in 1987, with Fieldcrest and Belton accounting for most of the remainder. Chatham holds about half the one-million unit electric bed pad markets.

Mattress Pads/Comfort Sleep Products

A major development in recent years has been the growth in the market for comfort/health sleep products, including special pillows, mattress pads and related products. The business done in polyurethane, polyfill, latex and down pillows and pads, alone, has climbed to an estimated $100 million at retail in a few short years (Home Fashions Textiles, September 1987), although there are indications that growth in the market may be slowing.

The comfort sleep development started about 12 years ago when Perfect Fit introduced the fitted all-around-the-mattress BedSack. Retail sales of this product and similar type pads have totaled at least $1 billion to date, according to The Seidman Report (HFD, June 6, 1988).

Mattress Pads/Comfort Sleep Products (continued)

Sales of foam mattress pads amounted to $40 million in 1987, 40% of the mattress pad market, according to industry sources. New product introductions in mattress pads have resulted in higher average costs, so that dollar volume has progressed much faster than unit volume. Manufacturers have switched selling emphasis from pads protecting mattresses to pads that aid comfortable sleep. Trading up is evidenced in the launching of all-wool fleece pads and of all-cotton pads. The Wool Bureau reports that the sale of wool and wool blend pads increased from 30,000 in 1983 to 750,000 in 1986.

The content of pillows and mattresses related to health/comfort benefits are the focus in the bedding arena, and sales of these sleep aids are expected to reach a peak of at least $150 million in 1988.

Bed Pillows

The traditional fiber-filled bed pillow business now has competition in the growth in demand for therapeutic pillows, in department stores and linen specialty stores. While they account for some 10% of pillow units, their share of dollar volume is much higher and they have accounted for most gains in the pillow business. Pillow manufacturers are also trading up by using new, higher priced fiber fills, enabling them to put more emphasis on pillows selling at $15 to $19 (most sell at $5.99 to $9.99).

Along with mattress pads, pillows have evolved where content is stressed in relation to contribution to sleep improvement. Many of the promotable new products were developed originally for hospitals, including cushions, wedges, toppers and neck and back supports.

The specialty pillows that provide neck and head support, are usually made of foam, were reported to account for 10% of total bed pillow units in 1986, and selling at retail for about twice as much, at $20, as conventional pillows. According to The Seidman Report (HFD August 11, 1986), the specialty pillow market could approach 4 million units, worth $80 million at retail.

The conventional pillow market is generally divided into two major categories: polyester basics and feather and down basics. In the former, emphasis is on branded fibers from Celanese, DuPont, Eastman and Hoechst. In the natural fiber category, emphasis is on the down and feather ratio. Polyester fiber filled pillows are reported to account for 70% of the total.

Window Treatments: Curtains, Draperies

With the explosion in offerings of different types of window treatments, curtain and drapery manufacturers have been faced with a decline in consumer demand in recent years. However, there has been a turn back to soft window coverings and manufacturers are stimulating demand with increased offerings in styles, materials and colors to fit every whim. As previously noted, many are also expanding product lines to include bedspreads, comforters, kitchen textiles and more.

Window Treatments: Curtains, Draperies (continued)

Trade sources have estimated that soft treatments will be a major factor in the window treatment markets in the next few years. Embellishments and top treatments are playing a key role in new styles to add to basic looks. Custom drapery treatments are reported to be gaining ground, but ready-mades represent about two-thirds of the market.

Manufacturing is increasingly concentrated among a handful of big manufacturers--including Burlington House Draperies, Aberdeen Mfg., and Arly Merchandise Corp.

Window treatment marketers are being helped by trends in toward more windows in new homes. A study by the National Wood Window and Door Association indicated that an average of 14.2 windows were installed in detached single-family homes built in 1986 compared to an average of 12 in 1985. Patio doors are also being used to a greater extent, with unit demand expected to be up nearly 10% in 1988.

Alternative Window Treatments

Window treatments other than curtains and draperies are one of the fastest growing components of the home goods market. As in other segments, however, the industry is undergoing changes brought on by acquisitions and consolidations, as well as the rapid introduction of new products and entrance into the industry of manufacturers making other lines.

Imports, too, are a major factor in some lines. The U.S. stock blind market is now dominated by imported vinyl blinds, mainly from Taiwan, while U.S. producers dominate the market for mini and vertical blinds.

In stock verticals, PVC vinyls are strong where price is a factor more important than fashion, although new fashion treatments have been adopted in these products, too. Most stock vinyl mini blinds are imported, but the days of rapid growth in this $400 million industry are reported to be over. For 1988, the hot growth area in stock products will be imported vinyl vertical blinds.

Sales of imported stock vinyl mini blinds took off three years ago, slicing away at the market share of aluminum mini blinds. In 1987, between 44 and 50 million vinyl mini blinds were imported by the U.S. Sales have slowed, however, and cancellations of orders are reported. As prices increase due to the drop in the U.S. dollar, price resistance is encountered and some major retailers are choosing to import directly from overseas to cut costs, while some U.S. suppliers are seeking new sources in China, Korea, and Mexico, with less concentration on Taiwan as a source for vinyl mini blinds.

Trade sources estimate the wholesale value of the alternative window coverings market currently is $1.2 billion. One of the largest companies, Levolor Lorentzen Inc., with 1987 sales of $259 million, was acquired in May 1988 by an investor group led by Dean Witter Capital Corp. which plans to restructure the company in the hope of reversing the downtrend in the company's market share.

PRODUCT SHIPMENTS

Alternative Window Treatments (continued)

The increase in acquisitions and consolidations noted in the home textiles industry also prevails in window coverings. Another major player, Hunter Douglas, has been acquiring major window coverings fabricators while still maintaining an independent fabricator network. And the industry is also undergoing changes as the trend to coordination makes its impact. Some curtain and drapery manufacturers have entered the hard window treatment market with matching vertical blinds; some alternative window coverings producers are making coordinated curtain and drapery introductions; in other cases, the two types of producers are cooperating in coordinating introductions.

New products have cut into the venetian blind market. One of the fastest growing is the pleated shade category. Competition is growing as more manufactuers enter the field with new versions of this upscale product, which is reported to be growing at an annual rate of 30%, and which now accounts for about 16% of the alternative window treatment market.

Duette, the honeycombed shade with hidden cords, manufactured by Hunter Douglas, took the market by storm. Duette sales topped $200 million in 1987 and accounted for an estimated 40% of the pleated shade market. Verosol is considered the leader in traditional pleated shades, although its share of the pleated shade market is reported to have dropped from 50% to about 25% or 30%, according to trade sources. In July 1988, Verosol will introduce a new improved shade designed to inhibit light emission. New fashion colors and a wide choice of fabrics, plus a variety of products for specialty windows, are expanding the market and opening the way for new suppliers with new ideas.

FOREIGN TRADE

Imports

U.S. imports of a broad category of textile furnishings which includes floor coverings, reported by the U.S. Census Bureau for 1987 increased by $142 million or 11% over 1986, to reach a Customs value of $1.4 billion. Floor coverings accounted for 49% of this total; towels, 17%; bed linens, 14%.

Significant increases in imports have resulted in import controls on certain products, including sheets, pillowcases and towels. The import penetration level for sheets and pillowcases in the early 1980's was less than 1%, and increased to 7.9% in 1987. Imports of towels increased from 7% of U.S. towel consumption in 1980 to 16.1% in 1987. Import penetration, of course, varies considerably for specific products, such as acrylic throws, etc., where they have a larger than average market share, and they represent a major share of stock vinyl Venetian blinds as noted. There was a sharp decline in imports of curtains and draperies in 1987, down almost 24% in quantity, 7% in value.

In 1987, China was the largest supplier of curtains and draperies, tablecloths and napkins, handmade lace products, towels and miscellaneous furnishings, and the second largest supplier of sheets and pillowcases, blankets, bedspreads, comforters, quilts.

FOREIGN TRADE

Imports (continued)

Imports & Exports of Home Textiles: 1985-1987
(Value in thousands of dollars)

	1987	1986	1985	% Change 1987/86
Home textiles, except curtains & draperies, floor coverings				
Value of imports*	$672,086	$600,786	$547,755	+ 11.9%
Value of exports**	89,617	80,913	88,504	+ 10.8
Curtains, draperies				
Imports: 1,000 pounds	5,772	7,560	5,202	- 23.6
Value*	41,120	44,118	33,861	- 6.8
Exports: 1,000 pounds	2,568	1,797	1,895	+ 42.9
Value**	7,087	5,849	8,818	+ 21.2

* Customs value which is the actual price paid when sold for exportation, not including import duties, freight, insurance, and other changes.

**Value f.a.s., U.S. port of export.

Source: U.S. International Trade Commission: U.S. Trade Shifts in Selected Commodity Areas

According to the industry analyst, Seymour Seidman, the big mill consolidations have refocused interest on foreign suppliers for cloth and terry blanks, as domestic manufacturers seek to maintain their supplies.

Kurt Salmon Associates has reported the following on share of unit sales of home textiles accounted for by imports. These figures are based on over-the-counter retail sales.

Percent of Units Accounted For By Imports: 1986, 1987

	1987	1986
Towels & washcloths	21%	21%
Sheets & pillowcases	7	7
Curtains, draperies	15	12
Bedspreads, blankets	7	8

Source: Kurt Salmon Associates: *The KSA Perspective* (Dec. 1987)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

Households

The household population, and the formation of new households, are counts of importance in evaluating market potential for home products. In 1987, according to the U.S. Census Bureau, there were 89.5 million households in the U.S. This compares with 85.2 million in 1984, and 80.8 million in 1980.

Households (continued)

The propensity of young adults to remain in the parental home--representing 54% of individuals 18-24 years old compared with 48% in 1980--has resulted in a decline in the proportion of young adult households. However, the growth of households has been relatively robust among "baby boom" age groups--now at an age where there is increased interest in furnishing homes. Between 1980 and 1987, the number of new households increased 11% in the 25-34 age group and 34% in the 35-44 age group.

For the remainder of the decade, the number of households in the 15-24 age group is expected to decline further, while household formations among those aged 25-54 should be maintained through continued growth in their population. According to the middle of three projections on household counts by the Census Bureau, by the year 2000 there will be 106 million households.

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

In order to collect a continuous flow of information on purchases by American consumers to be used in the periodic revisions of the Consumer Price Index base, as well as a wide variety of research by government and business analysts, an on-going survey of representative samples of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics, utilizing both diaries and interviews.

Information on purchases of home textile and related products is developed through interviews, yielding data projectable in 1986 to 93,741,000 consumer units in the U.S. These units represent the civilian, noninstitutional population and are defined as (1) all members of a particular housing unit who are related by blood, marriage, adoption or some other legal arrangement such as foster children, and (2) a person living alone or sharing a household with others, or living as a roomer, but financially independent. (This definition results in a higher count than the household count covered by the Census Bureau's definition which does not separately count those sharing a household with others.)

An average expenditure per total U.S. consumer unit is reported by the BLS for a wide variety of products and services. Based on the average of $83.49 per consumer unit spent on home textiles for own use, plus spending for gifts, total consumer expenditures in 1986 are estimated at $8.4 billion, 6.8% above the comparable estimate for 1985. Included are all types of consumer spending including purchases through retail stores, through decorators, etc.

The BLS reported that each quarter in 1986 an average of just over one out of four consumer units (25.6%) reported purchases of home textiles, and average spending among this group amounted to $81.55, not including gifts. Each quarter, an average of 17.6% of the consumer units bought bed, bath or kitchen textiles to give as gifts, spending an average of $8.64. (A net percent of household (or consumer units) which purchased home textiles anytime during the year is not available.)

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

The detailed BLS Consumer Expenditure Survey reports include information by product on spending patterns by age of household head, or "reference person" and by household income before taxes. In 1986, 41.3% of projected spending on home textiles, not including gifts, was attributed to consumer units with income of $40,000 or more. Consumer units with a reference person in the 35-to-44 age bracket (representing 19.3% of total units) had the biggest share of spending for home textiles--27.5%. This is a relatively affluent group, frequently trading up in housing and life styles.

Curtains and draperies made up the biggest single component (36.7%) of the $7.8 billion spent on home textiles, not including gifts. Bed linens at $2.4 billion ranked second, accounting for 30.1% of estimated total expenditures.

Close to $1.2 billion was spent by consumers for window shades and blinds in 1986 according to the BLS. A quarterly average of 12.8% of the U.S. consumer units made a purchase in this classification.

Consumer Expenditures For Home Textiles & Related Products: 1986

	Estimated Total		% Change	Quarterly Average	
	Mil. $	%	1986/85	% of Consumer Units Purchasing	Amount Spent
Home textiles, incl. gifts	$ 8,394.4	--	+ 6.8%	--	--
Home textiles, excl. gifts	7,824.5	100.0%	+ 7.1	25.59%	$81.55
Bath linens	1,000.2	12.8	+ 3.6	8.87	30.07
Bedroom linens	2,356.6	30.1	- 1.2	10.64	59.02
Kitchen/dining linens	327.2	4.2	+19.0	3.43	25.44
Curtains, draperies	2,868.5	36.7	+19.6	3.99	191.72
Slipcovers	156.5	2.0	- 2.8	0.97	43.04
Sawing materials	1,026.5	13.1	+ 0.3	7.78	35.18
Other linens	89.0	1.1	- 3.7	0.64	37.10
Gifts:					
Blankets, sheets, towels, table linens	569.9	--	+ 2.3	17.59	8.64
Window shades, blinds	1,197.1	--	- 9.6	2.29	84.60

Source: U.S. Bureau of Labor Statistics: Consumer Expenditure Surveys

Percent Distribution of Expenditures for Home Textiles By Income Before Taxes: 1986

	% of Consumer Units Reporting Income	Spending For Honme Textiles By Income Group
Total	100.0%	100.0%
Annual income:		
$40,000 & up	19.9	41.3
30,000 - 39,999	12.6	14.0
20,000 - 29,999	16.7	15.8
15,000 - 19,999	10.2	7.3
10,000 - 14,999	12.5	7.8
5,000 - 9,999	15.9	8.0
Less than $5,000	12.3	5.8

CONSUMER EXPENDITURES FOR HOME TEXTILES & RELATED PRODUCTS

Percent Distribution of Expenditures for Home Textiles By Age of Household (Consumer Units) Head: 1986

	% of Consumer Units	Spending for Home Textiles
Total	100.0%	100.0%
Age of head:		
Under 25 years	9.4	3.9
25 - 34	23.2	18.3
35 - 44	19.3	27.5
45 - 54	13.5	17.6
55 - 64	14.0	17.5
65 - 74	11.5	10.5
75 +	9.0	4.7

Source: Based on BLS Consumer Expenditure Survey: 1986

RETAIL SALES

Mail order selling of home textiles and related products has grown in importance, as coordinated merchandise can be shown to advantage in catalogs. In addition, manufacturers and suppliers are reported to be taking a greater interest in mail order retailers as conventional retail outlets have consolidated.

Sears, Penney and Spiegel are major factors in home textiles mail order business. Sales in 1987 of these and other large mail order operations are estimated as follows by trade sources:

	Sales (Mil. $)
Sears, Roebuck & Co.	$ 200
J.C. Penney	190
Spiegel, Inc.	180
Fingerhut	160
Popular Club Plan	50
New Process Co.	25

Department stores, including Bloomingdale's and Neiman Marcus, have launched mail order operations of their own in home textiles and related products.

Other outlets include the off-price department stores, such as Marshall's and T.J. Maxx; wholesale clubs (Sam's--a division of Walmart, Pace, B.J.'s--a division of Zayre, and Price Club). Two types of mass merchants are important: the upscale, and the lower-priced stores. There are also two types of specialty chains: the super specialty chain, such as R.G. Brandens, a division of Dayton-Hudson, which carries name brand home textiles. Melville Corp.'s Linens'n Things (Clifton, N.J.), with 13 stores and $163 million in sales in 1986, is the largest off-price specialists featuring name brands.

In October 1987 Home Fashions Textiles published information on leading outlets for home textiles. Following are summaries of the largest outlets included in these lists.

RETAIL SALES

Leading Outlets For Home Textiles

(Dollar figures in millions)

	Est. Home Textiles Volume	No. of Branches Carrying Home Textiles	Ownership*	Total Volume
Department Stores:				
Belk Bros., Charlotte, NC	$186	350	Independent	$2,115
Dillard's, Little Rock, AK	104	128	Independent	1,873
Bloomingdale's, New York, NY	81	16	Federated	1,050
Macy's, New York, NY	79.5	22	R.H. Macy	1,500
Macy's, Newark, NJ	78.4	25	R.H. Macy	1,400
Broadway, S. CA, Los Angeles, CA	67	43	Carter, Hawley, Hale	1,050
Macy's, San Francisco, CA	66	23	R.H. Macy	1,300
Mass Merchants:				
Sears, Roebuck, Chicago, IL	1,760	705	Independent	27,074
K mart, Troy, MI	1,385	2200	K mart Corp.	21,308
J.C. Penney, New York, NY	928	1482	Independent	14,740
Wal-Mart, Bentonville, AK	798	980	Independent	10,231
Montgomery Ward, Chicago, IL	306.8	293	Mobile	4,383
Mervyn's, Hayward, CA	286	175	Dayton Hudson	2,862
Specialty Stores:				
Linens'n Things, Clifton, NJ	161.5	131	Melville	163.4
Fortunoff, Wayne, NJ	66	2	Independent	220
Three D, Hartford, CT	45	27	Independent	45
Linen Supermarket, Pembroke Park, FL	41.7	47	Independent	49
The Linen Center, St. Louis, MO	37	36	Brown Group	37

* Ownership as of 1986.

Source: Excerpts from Home Fashions Textiles report (October 1987)

Prices at the retail level for textile housefurnishings, as reported by the U.S. Bureau of Labor Statistics increased 3.0% in 1987 compared with 1986, as the Consumer Price Index reached 109.8 (1982-84=100).

An analysis of over-the-counter retail sales of specific types of home textiles, of window treatments and of related products has been published by HFD, the Weekly Home Furnishings Newspaper, based on information developed in interviews with manufacturers, key retailers, and other industry sources.

Retail sales of major types of home textiles in 1987 were reported at close to $9.3 billion compared with $8.7 billion estimated for 1986. Except for bath mats, floor coverings are not included in these figures. Sales of window treatments other than curtains and draperies (such as shades, venetian blinds, etc.) were estimated at $2.8 billion in 1987, and window treatment hardware at $455 million. Comparable figures for 1986 were not reported.

RETAIL SALES

The HFD report covers a breakdown on sales by distribution channels: department stores; mass merchants; Sears, JC Penney, Montgomery Ward (including outlets and catalogs); specialty stores (including decorator shops, independent retailers, paint and wallcovering stores and home centers); and other (factory outlets, direct mail, variety and hardware stores).

Bed Coverings: Sheets & Pillow Cases, Bed Pillows

Sales of sheets and pillow cases in 1987 were reported at $1.7 billion, about 13% above the 1986 estimate of $1.5 billion. Growing fashion importance of sheet and pillowcase ensemble sales, as well as broadened assortments in satin sheets have played a role in sales gains. According to the Seidman Report, some 40% of all bed sheet sales at retail from August through January are done in flannel, and these have grown in sales share.

Estimated Distribution of Sheet & Pillowcases Retail Sales
By Outlet Type: 1986, 1987

	1987	1986
Estimated total	100%	100%
Department stores	27	26
Mass merchants	39	40
Sears, Penney, Ward	21	21
Specialty stores	4	2
Other	9	11

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Retail sales of bed pillows in 1987 reached $370 million, registering a sharp increase of 51% over the 1986 estimate of $245 million. Mass merchants' share rose from 24% to 33% due (according to an industry source) to demand for crushed and whole feather pillows, as consumers in general turned to natural products. However, a report on retail sales of bed pillows by Eastman Fibers Market Research showed polyester fiberfill accounting for 70% of sales; foam latex, 4%; other fills, 26% (Home Fashions Textiles, June 15, 1987).

Estimated Distribution of Bed Pillow Retail Sales
By Outlet Type: 1986, 1987

	1987	1986
Estimated total	100%	100%
Department stores	27	28
Mass merchants	33	24
Sears, Penney, Ward	26	27
Specialty stores	12	12
Other	2	9

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

RETAIL SALES

Bed Coverings: Mattress Pads

Estimated retail sales of mattress pads, at $343 million in 1987, were up about 14% over the 1986 estimate of $300 million. Foam mattress pad sales were reported at $35-to-$45 million. Sales of wool fleece pads were estimated at $30 million. A new product, electric mattress pads, not reported in 1986, reached a total of $18 million last year, according to trade sources.

Estimated Distribution of Mattress Pads By Outlet Type: 1986, 1987

	Non Electric		Electric
	1987	1986	1987
Estimated total	100%	100%	100%
Department stores	25	30	15
Mass merchants	32	30	45
Sears, Penney, Ward	31	27	35
Specialty stores	10	10	5
Other	2	--	--

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Blankets

Not including throws or lap blankets (a growing category, as previously noted in the section on PRODUCT SHIPMENTS), retail sales of blankets were estimated at $315 million in 1987 by HFD, compared with $300 million in 1986. Sales of electic blankets, as noted, have been on the decline. The 1987 total was reported at $172 million vs. $200 million estimated by 1986.

Estimated Distribution of Blankets By Outlet Type: 1986, 1987

	Regular Blankets		Electric Blankets	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	19	20	14	15
Mass merchants	38	40	37	35
Sears, Penney, Ward	20	15	35	40
Specialty stores	19	5	10	5
Other	20	20	4	5

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

RETAIL SALES

Bed Coverings: Bedspreads, Comforters

The tug-of war between bedspreads and comforters for the attention of customers continues, but retailers are meeting demand through the promotion of bed ensembles, which include coordinated spreads, comforters and accessories such as shams and bed skirts. In a survey of 29 mass merchants and department stores representing more than 1,730 retail outlets, conducted by Home Fashions Textiles most saw substantial increases in bed ensemble sales in the first half of 1987 (HFT, September 1987).

All surveyed department stores reported gains, with an average increase of 13.5%. Increases in accessory sales were reported by 80% of the stores surveyed, with an average rise of 11.6%. Among mass merchants, 85% reported increases in bed ensembles, for an average of 11%, and accessory sales among these stores were up an average of 13%.

Department stores are more likely to merchandise comforter ensembles in sets than are mass merchants, according to the HFT study. All surveyed department stores offered at least some comforter sets, but only half of the mass merchants were doing this. On average, comforter sets comprise about a third of a department store comforter assortment, and about 13% among mass merchants that do offer them.

In the typical department store reporting sales of bed ensembles in the HFT study covering the first half of 1987, bedspreads accounted for 25% of unit sales of ensembles, comforters 51%, accessories 24%; in mass merchants, comforters represented 52.5%, bedspreads 27%; and accessories 20.5%.

Retail sales of bedspreads were estimated at $523 million compared with $508 million in 1986, according to HFD. This source estimated retail sales of comforters at $743 million in 1987, up from $708 million in 1986. Sales share by outlet type was reported as follows:

Estimated Distribution of Bedspread and Comforter Sales By Outlet Type: 1986, 1987

	Bedspreads		Comforters	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	16	20	22	26
Mass merchants	25	25	32	30
Sears, Penney, Ward	50	47	33	28
Specialty stores	8	7	11	10
Other	1	1	2	6

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

Bed Coverings: Bedspreads, Comforters (continued)

In the KSA Perspective, Soft Goods Outlook for 1988 (December 1987), Kurt Salmon Associates reported that in 1987 25% of the units of sheets and pillowcases were sold at regular price vs. 19% in 1986. Comparable estimates for bedspreads and blankets were 38% in 1987, 36% in 1986. The trend in retail sales was reported as follows:

Year-to-Year % Changes in Units Purhcased by Consumers

	Actual		Estimated*	Projected
	1985/84	1986/85	1987/86	1988/87
Sheets & pillowcases	+ 2%	-0-	-0-	+ 1%
Bedspreads, blankets	+ 1	+ 6%	+ 3%	-0-

* Estimates based on reports from a nationally representative panel of over 19,500 households (The KSA/NPD Purchase Panel) in the first three quarters of each year.

Source: Kurt Salmon Associates: The KSA Perspective (Dec. 1987)

The June 15, 1987, issue of Home Fashions Textiles included information issued by Eastman Fibers Market Research on 1986 retail sales of comforters by shell fiber. Of total units, blends of 50% polyester/50% cotton accounted for 35%; 100% polyester fiber shells accounted for 19%; blends of 65% polyester/35% cotton, 10%. Other poly/cotton blend shells had a 13% share of unit sales; 100% cotton, 17%; other blends and fibers, 6%.

Decorative Pillows, Chair Pads

In the analysis of retail sales of specific home products by HFD (The Weekly Home Furnishings Newspaper), strong consumer demand was reported for larger pillows, fluffier chair pads, and more embellished styling. Uses for decorative pillows have grown from the living room couch to the floor, for the bedroom, and especially for the TV room. This has led to diversification in styling and sizes of pillows. In chair pads, high styling, ruffles and bold prints have added new fashion importance.

Retail sales of decorative pillows were estimated by HFD at $168 million in 1987, up from $160 million in 1986, based on reports from trade sources. Chair pad retail sales were esitmated at $62 million in 1987 compared with $60 million in 1986. Sales shares by outlet type were reported as follows:

RETAIL SALES

Decorative Pillows, Chair Pads (continued)

Estimated Distribution of Bedspread and Comforter Sales By Outlet Type: 1986, 1987

	Decorative Pillows		Chair Pads	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	25	30	8	8
Mass merchants	42	35	62	60
Sears, Penney, Ward	14	15	19	29
Specialty stores	16	15	7	3
Other	3	5	4	0

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1987)

Decorative Pillow Sales By Category

	Department Stores	Mass Merchandisers
Solid basics	55%	48%
Accessories	20	26
Wovens	14	16
Prints	11	10

Source: Home Fashions Textiles, (January 1987)

Window Coverings & Related Products: Curtains & Draperies

While alternative window treatment products are gaining in popularity, and have an edge in the market for door treatments and special effects in new homes, there has been an increase in retail sales of curtains and draperies. Sales of curtains in 1987 were esitmated at $705 million in 1987 by HFD, up from $690 million in 1986. Drapery sales amounted to some $774 million last year compared with $762 million in 1986.

Consumer preferences have been turning toward soft looks. This has been encouraged by the wide variety of layered top treatments now offered to consumers. (Alternative window treatment marketers are reacting to the trend by offering more fabrics and softness in their designs.)

Kurt Salmon Associates has anticipated an increase of 2% in unit purchases of curtains and draperies in 1988 compared with 1987.

Trends in Consumer Purchases of Curtains & Draperies (Year-to-Year % Changes in Units)

Actual		Estimated	
1985/84	1986/85	1987/86	1988/87
- 9%	- 3%	+ 6%	+ 2%

Source: The KSA Perspective, Kurt Salmon Associates (December 1987)

Window Coverings & Related Products: Curatins & Draperies (continued)

Estimated Distribution of Curtain and Drapery Sales By Outlet Type: 1986, 1987

	Curtains		Bedspreads	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	5	9	7	9
Mass merchants	35	36	21	21
Sears, Penney, Ward	47	43	62	60
Specialty stores	10	9	9	8
Other	3	3	1	2

Source: Home Textiles '87, an HFD Special Section (Feb. 1, 1988)

According to Eastman Fibers Market Research (Home Fashions Textiles, June 15, 1987) in 1986 92% of all curtains sold were made of polyester or polyester blends; in draperies, more than 70% contained polyester.

An analysis of how curtains and drapery deparmtent sales are divided, based on a survey on the first half of 1987 among department stores and mass merchants, was made by Home Fashions Textiles.

Percent of Unit Sales By Catetory

Category:	Department Stores	Mass Merchants
Draperies	34%	14%
Shades	7	--
Panels	20	36
Curtains	39	50
Draperies		
Antique satin & textures	60	69
Casements	11	4
Sheers	11	6
Jacquards	3	10
Prints	3	11
Top treatments	12	--
Curtains		
Priscillas	64	36
Tiers	36	64

Source: Home Fashion Textiles (October 1987)

RETAIL SALES

Window Coverings: Alternative Types & Related Products

While mini blinds remain an industry staple, sales of newer types of horizontal and vertical blinds and pleated shades in a wide variety of fabrications are registering growth in consumer demand. HFD (The Weekly Trade Newspaper) has estimated sales of aluminum mini blinds at $1 billion in 1987. Included in this figure are micro blind sales estimated at about $120 million, or 8.5% of the mini blind market. Stock vinyl mini blind sales were estimated at $400 million, bringing the 1987 estimated sales of mini blinds to $1.4 billion in 1987 compared with $1.3 billion in 1986. Sales of the traditional 2-inch blinds were estimated at $20 million in 1987.

According to Home Fashions Textiles (January 1987), sales of blinds by type were as follows:

	Percent
Vertical blinds:	
Fabric	53%
PVC	28
Aluminum	19

Trade sources reporting in HFD's survey of major retailers and suppliers placed the retail volume of custom verticals at $695 million last year, and sales of stock products at $75 million. The $770 million total in 1987 represents a gain of 23% over the 1986 sales estimate amounting to $625 million.

Pleated shade sales more than doubled from 1986 through 1987, according to trade sources. Retail sales in 1987 were estimated at $300 million vs. $145 million in 1986, with growth sparked by the fashion importance of the soft look. Duette, the honey-combed shade with hidden cords garnered an estimated 40% share of the pleated shade market.

In roller shades, custom represented $100 million in sales, compared to $180 million for stock shades, according to the HFD estimates. Sales of woven woods declined from about $81 million in 1986 to $55 million in 1987. Sales of hardware for window treatments were estimated at $455 million in 1987.

Estimated Retail Sales of Alternative Window Treatments & Related Products: 1986, 1987
(Millions of dollars)

Product	1987	1986
Hardware	$ 455	nr
Mini blinds	1,400	$1,300
Pleated shades	300	145
Roller shades	280	nr
Verticals	770	625
Woven woods	55	81

nr not reported

Source: Home Textiles '87, An HFD Special Section (Feb. 1, 1988)

Window Coverings: Alternative Types & Related Products (continued)

Estimated Distribution of Retail Sales of Alternative Window Treatment Products & Hardware, By Type of Retail Outlet: 1986, 1987

	Mini Blinds		Verticals	
	1987	1986	1987	1986
Estimated total	100%	100%	100%	100%
Department stores	5	3	10	4
Mass merchants	30	23	15	6
Sears, Penney, Ward	30	28	15	20
Specialty stores	32	36	20	20
Other	3	10	3	10

	Pleated Shades		Roller Shades	
	1987	1986	1987	1986*
Estimated total	100%	100%	100%	
Department stores	8	4	9	
Mass merchants	3	5	23	
Sears, Penney, Ward	17	12	29	
Specialty stores	70	72	38	
Other	2	7	1	

	Woven Woods		Hardware	
	1987	1986	1987	1986*
Estimated total	100%	100%	100%	
Department stores	4	3	12	
Mass merchants	31	22	30	
Sears, Penney, Ward	24	25	27	
Specialty stores	37	40	26	
Other	4	10	5	

* Comparable figures not available.

Source: Home Textiles '87, An HFD Special Section
(Feb. 1, 1988)

The May 1988 issue of Home Fashions Magazine includes a special section on Drapery Hardware: rod types and sizes, accessories, etc. Included are figures on rod types sold in major outlet types. In mass merchants, of total rod sales, regular curtain rods accounted for the biggest share--37%, and were the fastest growing type. In department stores, plain traverse rods had the biggest share of sales within the rod/accessories category (25%). Home centers did their biggest business in accessories (22%), followed by cafe rods (17% of the category total).

RETAIL SALES

Bath Products

Trends in purchases of towels and washcloths by consumers have been reported as follows by Kurt Salmon Associates. The outlook for 1988 unit purchases was flat compared with 1987.

Trends in Consumer Purchases of Towels & Washcloths
(Year-to-Year % Changes in Units)

Actual		Estimated	
1985/84	1986/85	1987/86	1988/87
+ 3%	- 2%	+ 8%	-0-

Source: The KSA Perspective, Kurt Salmon Associates
(December 1987)

The Special Section on Home Textiles '87 issued by HFD (Feb. 1, 1988) reported the following sales information:

Estimated Retail Sales: 1986, 1987
(Millions of dollars)

	1987	1986
Total	$2,646	$2,495
Bath accessories	138	128
Bath towels	1,500	1,400
Beach towels	207	200
Embellished towels	63	60
Shower curtains	365	350
Bath rugs	373	357

Source: Home Textiles '87, an HFD Special Section
(February 1, 1988)

Distribution of Dollar Sales By Type of Retail Outlet

	Bath Accessories		Bath Towels		Beach Towels	
	1987	1986	1987	1986	1987	1986
Total sales	100%	100%	100%	100%	100%	100%
Department stores	35	45	23	25	25	25
Mass merchants	24	20	30	30	30	30
Sears, Penney, Ward	19	15	22	22	22	22
Specialty stores	17	13	7	5	5	5
Other	5	7	18	18	18	18

(continued)

RETAIL SALES

Bath Products

Distribution of Dollar Sales By Type of Retail Outlet
(continued)

	Embellished Towels		Shower Curtains		Bath Rugs	
	1987	1986	1987	1986	1987	1986
Total sales	100%	100%	100%	100%	100%	100%
Department stores	55	60	16	19	16	17
Mass merchants	10	15	38	30	37	32
Sears, Penney, Ward	12	10	30	40	24	35
Specialty stores	22	15	14	15	17	11
Other	1	--	2	--	6	5

Source: Home Textiles '87, an HFD Special Section
(February 1, 1988)

Table Linens, Kitchen Textiles

Over-the-counter retail sales of table linens were estimated at $560 million in 1987, and it was noted that this category lags far behind other domestics in terms of retail turnover. Sales in 1986 were estimated at between $500 and $550 million.

Based on reports from leading sources of information in the industry, HFD compiled the following estimates on distribution of dollar volume in table linens by type of retail outlet.

Distribution of Retail Sales of Table Linens; 1986, 1987

	1987	1986
Total sales	100%	100%
Department stores	28	30
Mass merchants	35	33
Sears, Penney, Ward	20	19
Specialty stores	15	14
Other	2	4

Source: Home Textiles '87, an HFD Special Section
(Feb. 1, 1988)

In an analysis of unit sales of table linens by type in department stores and in mass merchants, published in Home Fashions Magazine (November 1987), within the former tablecloths were estimated at 60% of sales, placemats 25%, napkins and accessories 15%. In mass merchants' linen departments, tablecloths averaged 45% of unit sales, placements 44%, napkins and accessories 11%.

There was considerable difference in the relative importance of the various types of tablecloths and placements sold in each of these outlet types. Placements were reported to becoming more commonplace in department stores, according to a Home Fashions survey of top volume stores. However, in general, mass merchants do not carry sets. Eight piece sets are carried in 48% of department stores, accounting for about 12% of their placement business.

Table Linens, Kitchen Textiles (continued)

Tablecloth & Placemat Sales By Category
(Percent of units)

Tablecloths			Placemats		
Type	Department Stores	Mass Merchants	Type	Department Stores	Mass Merchants
Woven	11%	9%	Fabric	51%	37%
Lace	15	8	Vinyl	19	47
Vinyl	12	48	Woven	14	9
Formals	20	4	Straw	4	3
Solids	34	28	Sets	12	4
Prints	8	3			

Source: Home Fashions Magazine, (November 1987)

RETAILER OPERATING RESULTS

Department Stores

Selected Merchandising & Operating Results of Linens & Coverings
In Department Stores with Sales over $2 Million, 1986
(Median results)

	Linens & Domestics (58*)	Window & Furniture Coverings (51*)
Net sales, % change from last year	+ 7.5	+ 1.7
Sales, % to total store	2.9	1.0
Gross margin, % of sales (including cash discounts)	39.3	39.2
Markdowns, % to sales	14.7	12.4
Advertising expense, % to sales	4.4	3.0
Number of stock turns (times)	1.8	1.6
$ sales per sq. ft. of selling space (main or largest selling unit)	70.0	56.0

* Number of reporting companies.

Source: National Retail Merchants Association: Merchandising & Operating Results of 1986

RETAIL ADVERTISING

Newspaper Ad [illegible]

Percent of Year's Total Lineage Each Month: 1986

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Bedsheets	8.2%	6.8	6.8	6.0	8.6	11.6	7.0	9.8	8.5	6.4	8.6	11.7	100%
Sheets	7.9	6.5	6.3	9.1	5.6	10.2	5.9	9.1	7.0	9.7	9.5	13.2	100
Towels	7.2	6.5	6.4	8.2	5.3	10.6	7.2	9.0	7.7	9.4	9.4	13.1	100

Source: Newspaper Advertising Bureau Inc., 1988 Newspaper Advertising Planbook; ACB 1986

CONSUMER BUYING PRACTICES

Information on purchases of specified home textiles in 1987 compared with 1982 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on the findings from an on-going monthly panel tracking the purchases of 11,500 nationally representative families.

Purchases of Bedsheets, Pillowcases & Towels
Units & Dollars: 1982, 1987

	Units (millions)			Dollars (millions)		
	1987	1982	% Change	1987	1982	% Change
Bed sheets, pillowcases, total	284	270.5	+ 5.0	$1,576.8	$1,421.5	+10.9%
	100.0%	100.0%	100.0%	100.0%	100.0%	
% of total						
Single/twin	28.3	27.2		23.3	22.8	
Double/full	22.8	25.1		23.4	28.5	
Queen	17.8	14.3		24.6	22.5	
King	10.7	6.8		14.9	12.5	
Other bedsheets	1.0	26.3		12.7	13.3	
Pillowcases	19.4	26.3		12.7	13.3	
Towels, total	757.0	755.3	+ 0.2%	$1,526.4	$1,501.6	+ 1.7%
	100.0%	100.0%		100.0%	100.0%	
% of total						
Bath	32.0	31.4		55.0	55.4	
Washcloths	28.8	28.9		12.4	13.3	
Face/hand	13.0	15.9		15.6	16.1	
Kitchen	23.3	20.5		14.4	12.6	
Other (incl. guest)	2.9	3.3		2.6	2.6	

Source: KSA/NPD Purchase Panel

CONSUMER BUYING PRACTICES

In an overview of consumer preferences in home textiles, by Seymour Seidman (The Seidman Report, HFD Nov. 23, 1987), based on purchases in the past year, in general the trend was to bigger sizes (sheets and towels), with a preference for percale and for loop (regular terry) towels, not sheared.

Percale was reported to account for about 70% of all U.S. sheet shipments in dollars, and the 200-thread-count percale had gained the most, representing close to 12% of dollar sales. Queen and king sizes have grown in demand as noted in the above table, now accounting for about 40% of purchases. When shoppers purchase sheets, according to Seidman, 60% buy prints and lace trim types, 15% buy all white, 25% buy solid colors.

In buying towels, shoppers are reported to be buying 78% in regular terry and 22% sheared. In 1980, shears had a larger share (42% of mill shipments). Solid colors and whites represent almost 80% of towel purchases in dollars. Towel customers are favoring bigger sizes, such as 30 by 60 and larger. These are reported to be accounting for almost 10% of towel shipments.

In buying blankets, Seidman reported that shoppers nationally favored champagne and blue, and are turning more to natural fibers. Cotton and wool were reported to represent about 30% of dollar spending on bed blankets, up from 20% in the early 1980s.

The trend to coordination and to ensemble selling has been a factor in rapidly changing consumer preferences away from basics in all types of home textiles and related goods.

Based on a trade survey conducted in 1985 on consumer purchases of window treatments, the distribution of consumer purchases of window treatments was projected as follows:

Percent of U.S. Households Purchasing Window Treatments
By Product Type: 1985

	Percent
Total households purchasing window treatments	100.0%
Draperies	22.7
Ready-made	17.9
Made-to-measure	2.1
Custom-made	2.4
Blinds	27.8
Curtains	22.2
Sheers	9.2
Shades	9.3
Other	7.7

Note: Columns add to more than totals shown as some households purchases more than one type of window treatment.

CONSUMER BUYING PRACTICES

Expenditures by households in 1985 by type of window treatment were divided as follows, according to the trade survey:

Percent of U.S. Household Expenditures Window Treatments By Product Type: 1985

	Percent
Total purchases of window treatments	100.0%
Draperies	35.0
Ready-made	21.0
Other (made-to-measure, custom-made)	14.0
Curtains	14.0
Blinds	34.0
Sheers	5.0
Shades	6.0
Other	6.0

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

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RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

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THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

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WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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E. B. Gold, Manager
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MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR

Market Trends

U.S. manufacturers registered a gain of less than 3% in the value of shipments of major classifications of men's sportswear/casual wear last year. Higher prices due to rising costs of materials and labor, as well as trading up, helped some categories register relatively strong dollar gains, while units were down. Meanwhile, the value of imports of reported sportswear/casual wear rose almost 23%, with much of this rise due to higher prices attributed to the cheaper dollar, to rising costs and to developments resulting from quota restrictions.

Lifestyle patterns in the U.S. continue to favor sportswear/casual wear over other types of men's clothing; but retail sales of all types of men's wear have slowed down in recent months due to consumer price resistance and lack of fashion newness. As apparel inflation continues, real gains in sales in coming months will be difficult. Industry analysts Kurt Salmon Associates project little growth in unit purchases of men's sportswear this year, with the outlook best for activewear, in which a 7% gain is anticipated.

Within the major classification, however, are some strong performances at the retail level. Dollar sales of men's woven sport shirts were reported to be up over 20% in 1987 compared with 1986; knit shirts gained about 10%. In the active category, fleece did well, with sweat shirt purchases up 58%.

The strong polarizations of tailored clothing and sportswear within the manufacturing industry has been breaking down in reaction to consumer market trends. Buyers and customers are accepting tailored sportswear as an alternative to traditional clothing, while the wearing of casual wear instead of tailored wear continues as a major trend. Contemporary designers are getting into the more traditional clothing market and some retailers are merchandising separates as suits.

Designers such as Ralph Lauren and Calvin Klein see room for growth in the sportswear market. Liz Claiborne introduced a sportswear line for men in 1985. These designers and retailers are counting on women, who have always purchased at least half of all men's clothing, to buy their menswear lines as well as their women's apparel. However, with more women in the work force, other strategies are also being used, such as grouping separate sportswear items and accessories into outfits or ensembles, and designing contemporary, and upbeat interiors.

Department and specialty stores have been losing market share to chain discounters, off-price, mail order, factory outlets and sporting goods stores. The Gap and its Banana Republic division have already achieved success in their business by targeting younger baby boomers. The Limited now offers mens sportswear in their Express Man stores after noticing that men were buying large sized women's sweaters. According to the Wall Street Journal, Bigsby & Kruthers, a Chicago retailer that caters to executives, decided to open a separate sportswear store after its sweater sales surged to 300% in a week. To capitalize on the growing demand for sportswear, Hartmarx's retail division introduced an extensive line of upper moderately priced sportswear under its proprietary Austin Reed of Regent Street label this fall. Young men in the 17 to 20 age bracket are most receptive to trendy sportswear styles.

MARKET TRENDS

Biking wear (in bright primary colors) has inspired activewear by becoming a fashion statement; the way tennis and swimming apparel did in the past, with durability and freedom of movement important factors.

In outerwear, leather is in short supply and prices are up. Distressed skins with a work and rugged appearance are leading the way. Reversible leather jackets in lighter weights are lined in linen or cotton. Bombers remain popular while motorcycle and military styles are taking off.

Stores are taking a stronger position in private label, in order to generate a quality product in their own fashion colors and styles. As branded merchandise is increasingly sold in numerous other outlets and at a discount by off-price retailers, private label gives the store opportunities to have a distinctive image.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A complete census of all U.S. manufacturers is compiled every five years by the U.S. Bureau of the Census. Data included in this Fact File from the latest census of manufactures covering plants in operation in 1982 which had one or more employees. Where available, 1982 data is supplemented by comparable findings from the 1985 and 1986 annual surveys of manufactures. The annual surveys are conducted by the Census Bureau among a sample of manufacturers to provide key measurements of manufacturing activity during intercensal periods.

Men's sportswear/casual wear is not a distinct, separately reported industry. Merchandise of this type is combined in several industry classifications under the Standard Industrial Classification system, on which the following tables are based. The sections on PRODUCTION and on PRODUCT SHIPMENTS cover available data on specific product classifications.

Men's & Boys' Shirts & Nightwear (SIC 2321*)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	535	--
Number of establishments**	na	628	741	--
With 20 or more employees	na	484	560	--
Total employment (thous.)	74.8	80.1	88.7	- 6.6%
Production workers (thous.)	65.8	69.1	76.0	- 4.8
Payroll (mil. $)	$ 811.9	$ 823.5	$ 819.0	- 1.4
Value added by manufacture (mil. $)#	$1,909.7	$1,824.6	$1,785.5	+ 4.7
Value of industry shipments (mil. $)##	$3,795.4	$3,673.8	$3,477.7	+ 3.3
Capital expenditures, new (mil. $)	$ 59.7	$ 45.5	$ 37.2	+ 31.2
New machinery & equipment	$ 47.0	$ 37.0	$ 29.6	+ 27.0

Men's & Boys' Separate Trousers (SIC 2327*)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	269	--
Number of establishments**	na	306	356	--
With 20 or more employees	na	226	268	--
Total employment (thous.)	45.6	49.7	56.9	- 8.3%
Production workers (thous.)	38.6	42.5	49.4	- 9.2
Payroll (mil. $)	$ 558.9	$ 592.3	$ 564.9	- 5.6
Value added by manufacture (mil. $)#	$1,052.0	$1,122.4	$1,111.2	- 6.3
Value of industry shipments (mil. $)##	$2,175.4	$2,234.9	$2,165.4	- 2.7
Capital expenditures, new (mil. $)	$ 17.6	$ 32.2	$ 35.7	- 45.3
New machinery & equipment	$ 13.9	$ 26.2	$ 30.6	- 47.0

GENERAL INDUSTRY STATISTICS

Men's & Boys' Clothing, n.e.c. (SIC 2329*)
(Primarily Sportswear/Outerwear)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	575	--
Number of establishments**	na	553	646	--
With 20 or more employees	na	359	386	--
Total employment (thous.)	43.5	42.2	44.6	- 3.1%
Production workers (thous.)	37.5	36.2	38.6	- 3.6
Payroll (mil. $)	$ 497.2	$ 455.7	$ 432.8	+ 9.1
Value added by manufacture (mil. $)#	$1,136.3	$1,021.1	$ 931.3	+ 11.3
Value of industry shipments (mil. $)##	$1,910.0	$1,727.9	$1,658.3	+ 10.5
Capital expenditures, new (mil. $)	$ 27.5	$ 24.5	$ 18.3	- 12.2
New machinery & equipment	$ 19.0	$ 18.0	$ 14.0	+ 5.6

Knit Outerwear Mills (SIC 2253*)
(Including Men's, Women's, Children's)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	893	--
Number of establishments**	na	843	923	--
With 20 or more employees	na	472	482	--
Total employment (thous.)	60.4	62.7	66.8	- 3.7%
Production workers (thous.)	51.4	52.9	55.9	- 2.8
Payroll (mil. $)	$ 824.9	$ 830.2	$ 741.4	- 0.6
Value added by manufacture (mil. $)#	$1,695.3	$1,675.4	$1,704.8	+ 1.2
Value of industry shipments (mil. $)##	$3,447.2	$3,604.3	$3,182.4	- 4.4
Capital expenditures, new (mil. $)	$ 85.6	$ 86.5	$ 53.5	- 1.0
New Machinery & equipment	$ 70.4	$ 65.9	$ 44.1	+ 6.8

Leather & Sheep-Lined Clothing (SIC 2386*)
(Including Men's, Women's, Children's)

	1986	1985	1982	% Change 1986/85
Number of companies	na	na	186	--
Number of establishments**	na	152	186	--
With 20 or more employees	na	41	52	--
Total employment (thous.)	1.7	2.0	4.3	- 15.0%
Production workers (thous.)	1.3	1.5	3.6	- 13.3
Payroll (mil. $)	$ 29.8	$ 31.0	$ 48.9	- 3.9
Value added by manufacture (mil. $)#	$ 56.0	$ 58.3	$ 95.7	- 4.0
Value of industry shipments (mil. $)##	$ 161.4	$ 164.3	$ 221.3	- 1.8
Capital expenditures, new (mil. $)	$ 0.4	$ 0.8	$ 0.9	- 50.0
New machinery & equipment	$ 0.2	$ 0.6	$ 0.6	- 66.7

(footnotes continued)

GENERAL INDUSTRY STATISTICS

na not available
n.e.c. not elsewhere classified

* Manufacturing establishments (plants) are classified by industry under the Standard Industrial Classification System (SIC), determined by the principal product made, as shown below:

SIC 2329 covers plants specializing in the production of men's and boys' heavy outerwear coats and jackets, swimwear and athletic shorts, ski and snow pants and other outerwear not elsewhere classified made in cut-and-sew plants.

SIC 2253 covers mills primarily engaged in knitting outerwear (men's, women's, children's) from yarn or in manufacturing outerwear from knit fabric produced in the same mill.

SIC 2386 covers plants primarily engaged in manufacturing leather and sheep-lined garments for men, boys, women and children.

SIC 2321 covers plants primarily engaged in the manufacture of men's, youths' and boys' shirts (including dress, polo and sport shirts, but not including work shirts) and nightwear cut and sewn from purchased woven or knit fabric.

SIC 2327 covers establishments primarily engaged in the manufacture of men's, youths' and boys' separate trousers and slacks. (Effective 1987, this SIC code was changed to 2325; however, 2327 will continue to be used for all data prior to 1987.)

**Each manufacturing location is counted as a separate establishment (plant). Auxiliary locations (such as sales offices, warehouses, etc.) are not included in the above tables. Data on number of establishments in 1985 are from the Census Bureau's County Business Patterns.

#Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of shipment figures which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

##Value of industry shipments includes, along with receipts for contract work, all items made by or for each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary products and secondary products made by manufacturers in these industries. The value of primary products alone of these industries, plus the value of shipments of such products by manufacturers classified in other industries (called PRODUCT SHIPMENTS), is covered on pages 15 and 16.

Source: U.S. Bureau of the Census:
1986, 1985 Annual Survey of Manufactures;
1982 Census of Manufactures

GENERAL INDUSTRY STATISTICS

Trends and forecasts on specific industries are compiled annually by the International Trade Administration, including information on the value of industry shipments on a constant dollar basis (eliminating the effects of inflation) as well as in current dollars, based on the Census Bureau reports.

Following are growth rates reported for the men's and boys' shirts, nightwear and separate trouser industries, in terms of constant 1982 dollars.

Percent Change in Value of Industry Shipments
In 1982 Dollars

	Compound Annual Rate of Change		Annual	
	1972-1985	1980-1985	1985-1986	1986-1987
Industry (men's & boys)				
Shirts & Nightwear	- 1.0%	- 1.2%	- 3.4%	- 4.8%
Trousers	- 3.1	- 1.0	+ 0.6	+ 1.6

Source: U.S. Department of Commerce, International Trade Administration: 1988 U.S. Industrial Outlook

Employment & Earnings

Current information on employment, compiled by the Bureau of Labor Statistics, U.S. Department of Labor, covers broad classifications of men's and boys' wear; specific data on sportswear/casual wear is not available. However, the broad trends are indicative of developments in this category.

An analysis of BLS data by the International Trade Commission (1988 U.S. Industrial Outlook) showed employment in the men's shirt & nightwear industry declining at a compound annual rate of 2.6% in the 1972-1985 period, and at a 7.1% rate from 1980-1985. Comparable declines in the men's & boys' trouser industry were 4.6% and 5.0% respectively.

As noted on the following page, employment as of April 1987 in the shirts & nightwear industry was down slightly from the year-ago level, while in the separate trousers industry employment gained 2.2%.

GENERAL INDUSTRY STATISTICS

Employment & Earnings (continued)

Employment & Earnings in Men's Sportswear/Casual Wear Manufacturing

	April Averages			Annual Averages		
	1988	1987	% Change 1988/87	1986	1985	% Change 1986/85
Men's & boys' shirts & nightwear (SIC 2321)						
All employees (thous.)	85.4	86.0	- 0.7%	85.9	84.5	+ 1.7%
Production workers (thous.)	73.2	73.8	- 0.8	74.2	73.1	+ 1.4
Average weekly earnings	$200.37	$192.19	+ 4.6	$192.10	$182.81	+ 5.1
Average hourly earnings	$ 5.43	$ 5.28	+ 2.8	$ 5.15	$ 5.05	+ 2.0
Average weekly hours	36.9	36.4	+ 1.4	37.3	36.2	+ 3.0
Men's & boys' separate trousers (SIC 2327)						
All employees (thous.)	50.2	49.1	+ 2.2	56.0	57.5	- 2.6
Production workers (thous.)	43.7	43.0	+ 1.6	49.1	50.4	- 2.6
Average weekly earnings	$195.48	$189.02	+ 3.4	$192.88	$191.33	+ 0.8
Average hourly earnings	$ 5.40	$ 5.37	+ 0.6	$ 5.27	$ 5.30	- 0.6
Average weekly hours	36.2	35.2	+ 2.8	36.6	36.1	+ 1.4
Knit outerwear mills (SIC 2253)						
All employees (thous.)	68.8	71.0	- 3.1	69.7	63.6	+ 9.6
Production workers (thous.)	61.6	63.0	- 2.2	61.1	55.5	+ 9.7
Average weekly earnings	$247.79	$247.54	+ 0.1	$243.84	$228.46	+ 6.7
Average hourly earnings	$ 6.37	$ 6.48	- 1.7	$ 6.35	$ 6.06	+ 4.8
Average weekly hours	38.9	38.2	+ 1.8	38.4	37.7	+ 1.9

Source: U.S. Bureau of Labor Statistics: Employment and Earnings

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

Measures of plant capacity utilization as of the fourth quarter are issued annually for specific industries by the Census Bureau. The latest report covering fourth quarter 1986 (issued November 1987) indicated a gain in utilization rates in industries relating to men's sportswear, particularly in knit outerwear mills, reflecting the demand for fleece activewear.

The preferred level of capacity utilization is defined as a level, normally between actual operations and practical capacity, which the manufacturer would prefer not to exceed due to costs or other considerations. The preferred utilization rate reported below is the ratio of the actual level of operations to the preferred level.

Preferred Capacity Utilization Rates: Fourth Quarter 1983 - 1986

	1986	1985	1984	1983
Men's/Boys' Clothing n.e.c. (SIC 2329)	87	83	na	87
Knit Outerwear Mills (SIC 2253)	95	93	73	76
Leather & Sheep Lined Clothing (SIC 2386)	75	na	54	na
Men/Boys' Shirts & Nightwear (SIC 2321)	90	na	na	89
Men/Boys' Separate Trousers (SIC 2327)	84	na	na	81

Source: U.S. Bureau of the Census:
Current Industrial Reports: Survey of Plant Capacity, 1986
MC-C1(86)1

Concentration in the Industry

According to Sales and Marketing Management's latest industry survey, a total of 539 plants manufacturing men's and boy's shirts had receipts of $2,657.8 million in 1987. Large plants with 100 or more employees represented only 39.0% of total plants but accounted for 87% of industry shipments-reflected the consolidation that has taken place in the last few years.

Large Plants (Employers) and Their Share of Men's & Boy's Apparel Industry Shipments: 1987

		Number of Plants			Industry Shipments	
SIC	Industry	Total	With 100+ Employees	% of Total	Total	% By Large Plants*
2321	Mens/boys shirts	539	210	39.0%	$2,557.8	87%
2325/7	Mens/boys trousers and slacks	472	310	65.7	3,867.6	94
2329	Mens/boys clothing nec	870	211	24.3	1,888.9	75
2386	Leather & sheep-lined clothing	115	10	8.7	286.0	51
2253	Knit outerwear mills	690	170	24.6	3,189.5	79

* Plants with 100+ employees

Source: Sales & Marketing Management Magazine:
"Survey of Industrial Buying Power"
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Concentration in the Industry (continued)

While the value of industry shipments is concentrated among large plants, there are many small apparel factories making specialized products. These smaller plants are able to fill market niches, and to some extent become more important as large companies merge and consolidate their operations.

The Census Bureau's County Business Patterns covers information on number of plants by employment size in specific industries.

Number of Men's & Boys' Sportswear/Casual Wear Manufacturing Establishments By Employment Size, 1985

	Men's & Boys'					
	Shirts & Nightwear (SIC 2321)		Separate Trousers (SIC 2325/7)		Clothing, n.e.c. (SIC 2329)	
	No.	%	No.	%	No.	%
Total establishments	628	100.0	306	100.0	553	100.0
Number of employees:						
Under 10 employees	85	13.5	58	18.9	138	25.0
10-49 employees	151	24.0	52	17.0	176	31.8
50-99 employees	115	18.3	36	11.8	102	18.4
100-499 employees	260	41.4	143	46.7	129	23.3
500 or more employees	17	2.7	17	5.6	8	1.5

			Men's & Boys'	
	Knit Outerwear Mills (SIC 2253)		Leather & Sheep-Lined Clothing (SIC 2386)	
	No.	%	No.	%
Total establishments	843	100.0	152	100.0
Number of employees:				
Under 10 employees	238	28.2	97	63.8
10-49 employees	329	39.0	39	25.7
50-99 employees	139	16.5	11	7.2
100-499 employees	116	13.8	5	3.3
500 or more employees	21	2.5	0	--

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
County Business Patterns, 1985

In the latest available detailed information on industry concentration, the 1982 Census of Manufactures, reports that the 50 largest companies in the men's wear industry who are involved in the sportswear/casual wear category accounted for upwards of 60% of the total value of industry shipments. Concentration levels have grown since 1982.

Concentration in the Industry (continued)

Share of Value of Industry Shipments in Men's & Boys' Held By the Largest Companies: 1982

	Value of Industry Shipments (Mil. $)	Percent Accounted For By Largest Companies: Top 4	Top 8	Top 20	Top 50
Men's & boys' clothing, n.e.c. (SIC 2329)	$1,658.3	12%	20%	38%	62%
Knit outerwear mills (SIC 2253)	3,182.4	19	29	45	64
Leather & sheep-lined clothing (SIC 2386)	221.3	32	47	69	88
Men's & boys' shirts & nightwear (SIC 2321)	3,477.7	19	29	48	69
Men's & boys' separate trousers (SIC 2327)	2,165.4	30	45	64	83

n.e.c. not elsewhere classified

Source: 1982 Census of Manufactures: Concentration Ratios in Manufacturing MC82-S-7

Leading Manufacturers

The dividing line between functional sportswear designed for active sports participation and other, or street sportswear continues to disappear as more companies are trading in their "active" looks for a mainfloor sportswear image. Other manufacturers, however, are still facing the issue of performance activewear vs. spectator activewear. But trade information indicates that the companies with the biggest volume of sales owe a good percentage of their business to the mainfloor sportswear market.

A list of the leading activewear/sportswear manufacturers in specific classifications, many of which are in both functional and mainfloor merchandise, has been compiled by SportStyle magazine. An excerpt from the detailed report covering the top five companies reported in major sportswear/activewear categories follows.

GENERAL INDUSTRY STATISTICS

Leading Manufacturers (continued)

Leading U.S. Manufacturers of Specified Activewear/Sportswear, 1987
(Including men's, women's, children's. Sales in millions of dollars)

	Sales in Category
Fleece: Top 5, total	$1,286.0
Tultex	348.0
Bassett Walker	296.0
Russell	260.0
Pannill	259.0
Champion	123.0

Beachwear: Top 5, total	$487.8
Ocean Pacific (OP)	310.0
Gotcha	65.0
Hobie Sportswear	62.0
Quicksilver	31.8
Jimmy'z	19.0

Athletic Footwear Mfrs.' Apparel: Top 5, total	$372.0
Adidas	139.8
Nike	130.0
Reebok	47.0
Puma	37.8
Troop	18.0

Rugged Outerwear: Top 5, total	$290.3
Woolrich	144.0
Pacific Trail	82.0
Patagonia	40.0
Helly-Hansen	14.3
Columbia	10.0

Active Sportswear: Top 5, total	$220.0
Jantzen	72.0
Catalina	65.0
Izod/Lacoste	50.0
Le Coq Sportif	18.0
Jockey	15.0

Ski Apparel: Top 5, total	$125.3
CB Sports	31.0
Sport Obermeyer	28.0
Roffe	24.0
Head Sportswear	23.5
White Stag	18.8

	Sales in Category
Golf Apparel: Top 5, total	$ 116.7
Pickering	30.0
Izod	29.0
Aureus	28.7
La Mode du Golfe	16.0
Quantum	13.0

Hunting/Fishing Apparel: Top 5, total	$ 85.5
Woolrich	31.0
Walls	22.5
Columbia	14.0
Saf-T-Bak	13.0
Red Head	5.0

Tennis Apparel: Top 5, total	$ 63.4
Head sportswear	16.5
Fila	14.4
Ellessee	12.5
Sergio Tacchini	10.0
Tail	10.0

Competitive Swimwear: Top 5, total	$ 76.0
Speedo	57.5
Arena	10.0
Hind	3.9
TYR	2.5
Dolfin	2.1

Performancewear: Top 5, total	$ 37.9
Hind	12.5
Dolfin	6.5
Sub 4	6.4
New Balance	6.5
Perfection	6.0

Cyclewear: Top 5, total	$ 15.7
Hind	5.2
Bellwether	4.0
Decente	3.5
Pearl Izumi	1.5
Nike	1.5

Source: *SportsStyle*, June 13, 1988

Leading Manufacturers (continued)

Jeans

Jeans comprise the largest single segment of the sportswear/casual wear market, with annual unit sales running close to 500 million pairs. Close to $7 billion is spent on jeans per year according to the American Textile Institute (ATI). However, the jeans business has been suffering from sagging sales lately, with men's jeans off 14%.

The jeanswear market is dominated by VF Corporation (makers of Lee and Blue Bell) and by Levi Strauss. It is estimated that VF and Levi control approximately equal shares of half the market. Levi has an estimated 55% of the men's jeans market while VF's Lee brand has the biggest chunk of the women's jeans business, according to the Wall Street Journal. However, when men's and children's are included, Levi's is clearly the dominant brand with overall market share of 22% compared with Lee's 13% share.

Men purchase an average of nearly two pairs of jeans a year while women buy only 1.08 on average, according to MRCA Information Services, (an independent research organization which tracks consumers purchases).

VF's jeans divisions currently account for about 60% of the company's sales and 83% of net income. Weaker competitors will be a target of the firm as it moves to gain further market share, according to ATI. In just three years, Lee has increased its market share from 2% to 13%. Lee suffered a reversal in 1986 but achieved renewed sales and earnings in 1987. VF acquired Blue Bell in late 1986, and more brand name diversification with Wrangler, Rustler, and Girbaud. The manufacturer now offers four national brands instead of one and reaches nearly all segments of the market.

The combined jeans brands are seen as more complementary than competitive. Wrangler and Rustler brands appeal primarily to western and rural males through broader distribution among mass retailers. Lee sells on factors such as style, fabric and fit, while Girbaud helps VF build a fashion presence in upscale department and specialty stores.

Other manufacturers include Big Yank ($100 million in volume), and Cowden ($50 million) the Interco's divisions which are currently up for sale. After competing successfully in the women's market, Orit Corp's Gitano (with $30 million in sales for men's items), is staking a claim in men's sportswear by marketing simultaneously to all retail levels.

PRODUCTION

Current information on U.S. apparel production, as well as value of shipments, is issued in the Current Industrial Reports series by the Census Bureau. The figures are developed through a mail survey of all known U.S. manufacturers and jobbers, with the exception of very small plants (usually less than five employees). Included are garments assembled abroad and shipped back to U.S. cutters under the terms of Item 807 of the Tariff Schedule. Both products made in cut-and-sew shops and products of knitting mills are covered in the CIR data, but not made-to-measure clothing.

Following are production figures for 1987 compared with 1986, with details on fabric types and construction where reported.

PRODUCTION

Production of Specified Types of Men's Sportswear/Casual Wear
By Construction/Fabric: 1986, 1987

	Thousands of Units		% Change
	1987	1986	1987/86
Men's trios (coat with matching pair & a contrasting pair of pants)	283	272	+ 4.0%
Dress & sport coats, incl. uniform	17,487	19,692	- 11.2
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	nr	9.4	
Manmade/wool blends (chiefly manmade)	32.5	30.1	
All man-made, chiefly manmade blends, except manmade/wool blends	30.0	27.2	
All wool & chiefly wool	24.9	28.5	
All other fabric	5.5	3.9	
Fabric not specified	nr	0.9	
Separate vests, excl. sweater vests	331	738	- 55.1
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	nr	nr	
All manmade & chiefly manmade	85.2%	52.6%	
All wool & chiefly wool	7.3	6.0	
Other & not specified	nr	nr	
	Thousands of Dozens		
	1987	1986	
Sport shirts: woven	3,470	3,879	- 10.5
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	42.4	44.0	
All manmade & chiefly manmade	51.8	52.1	
Other fabrics	nr	nr	
Fabric not specified	4.1	2.2	
Sport shirts: knit			
T-shirts & tank tops made for outerwear, incl. long sleeve T-shirts	29,378	23,429	+ 25.4
Total	100.0%	100.0%	
By fabric			
All or chiefly cotton	44.3	39.8	
All manmade & chiefly manmade	52.6	58.8	
Fabric not specified	3.1	1.4	
Other knit shirts for men, except sweat	8,952	nr	--
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	41.6	nr	
All manmade & chiefly manmade	50.2	nr	
Other & not specified	8.2	nr	

Production of Specified Types of Men's Sportswear/Casual Wear By Construction/Fabric: 1986, 1987

(continued)

	Thousands of Dozens		% Change
	1987	1986	1987/86
Men's sweaters, incl. sweater vests, cardigans, pullovers	2,069	2,316	- 10.7%
Total	100.0%	100.0%	
By fabric:			
All or chiefly cottons	33.5	19.1	
All manmade & chiefly manmade	48.4	53.8	
All wool & chiefly wool	16.6	23.9	
All other & not specified	1.5	3.2	

	Thousands of Units		
	1987	1986	
Men's shorts, trousers, jeans, jean-cut casual slacks	344,909	348,921	- 1.1
Separate dress & sport trousers	110,149	113,839	- 3.2
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	2.0	14.8	
Manmade/wool blends, chiefly manmade	1.3	17.4	
All manmade, chiefly manmade blends, except manmade/wool blends	5.8	59.5	
All wool & chiefly wool	nr	6.9	
All other fabric	nr	0.9	
Fabric not specified	0.03	0.5	
Jeans & duhgarees	147,772	159,905	- 7.6
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	95.8	89.9	
All manmade & chiefly manmade	4.1	10.0	
Fabric not specified	0.1	0.1	
Jean-cut casual slacks	29,883	27,245	
Total	100.0%	100.0%	
By fabric:			
All of chiefly cotton	71.4	71.7	
All manmade & chiefly manmade	28.1	28.1	
All other & not specified	0.5	0.2	
Shorts, including athletic shorts	57,105	47,932	+ 19.1
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	35.5	29.0	
All manmade & chiefly manmade	48.1	61.7	
All other fabric	nr	5.4	
Fabric not specified	nr	2.9	
Athletic shorts	24,772	28,963	- 14.5

(continued)

Production of Men's Nontailored Coats By Construction/Fabric: 1986, 1987

	Thousands of Units		% Change
	1987	1986	1987/86
Men' Outerwear:			
Heavy nontailored outer jackets except ski, including padded vests & uniform jackets	15,972	14,634	+ 9.1%
Total	100.0%	100.0%	
By fabric:			
All or chiefly cotton	34.7	30.7	
All manmade & chiefly manmade	52.3	39.2	
All wool & chiefly wool	9.0	6.6	
All other fabric	1.9	7.2	
Fabric not specified	2.0	16.2	
Light nontailored outerjackets	16,492	22,426	- 26.5
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	11.7	8.7	
All manmade & chiefly manmade	80.2	86.2	
All wool & chiefly wool	nr	nr	
All other fabric	nr	nr	
Fabric not specified	2.9	2.1	
Down & feather filled coats, jackets, vests (including boys, as well as men's)	702	886	- 20.8
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	14.9	12.1	
All manmade & chiefly manmade	78.3	74.7	
All wool & chiefly wool	nr	nr	
All other fabric	nr	nr	
Fabric not specified	1.3	11.[illegible]	

Production of Men's & Boys' Active Sportswear By Construction/Fabric: 1986, 1987

	Thousands of Dozens		% Change
	1987	1986	1987/86
Sweat shirts	10,764	9,559	+ 12.6%
Total	100.0%	100.0%	
All cotton or chiefly cotton	12.5	13.4	
All manmade & chiefly manmade	87.0	86.6	
Fabric not specified	0.5	--	
Sweat pants	4,571	4,702	- 2.8
Total	100.0%	100.0%	
By fabric:			
All manmade & chiefly manmade	90.7	90.8	
Other & not specified	9.3	9.2	

(continued)

Production of Men's & Boys' Active Sportswear By Construction/Fabric: 1986, 1987

(continued)

	Thousands of Dozens		% Change
	1987	1986	1987/86
Warmup & jogging suits	535	517	+ 3.5%
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	11.0	3.7	
All manmade & chiefly manmade	79.6	95.2	
Fabric not specified	9.4	1.1	
Swimwear	787	1,348	- 41.6%
Total	100.0%	100.0%	
By fabric:			
All cotton or chiefly cotton	nr	34.3	
All manmade & chiefly manmade	69.1	64.7	
Fabric not specified	nr	1.0	
Ski jackets, vests	65	85	- 23.5%
Total	100.0%	100.0%	
By fabric:			
All manmade & chiefly manmade	97.0	96.5	
Other fabric	nr	nr	
Ski pants	11	7	+ 57.1
Total	100.0%	100.0%	
By Fabric:			
All manmade & chiefly manmade	90.9	100.0	
Fabric not specified	9.1	--	
Ski suits and one piece ski overalls	2	1	
Team sports uniforms	971	814	+ 19.3%
Total	100.0%	100.0%	
Knit fabric:			
All manmade & chiefly manmade	67.5	59.0	
Woven fabric:			
All manmade & chiefly manmade	25.2	31.2	
Fabric type not specified	7.3	9.8	

nr not reported

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

PRODUCTION

By Wholesale Price

The Census Bureau has included information on production by wholesale price line for the following men's sportswear/casual wear items. Made-to-measure wear is not included.

Production By Wholesale Price: 1986, 1987

	1987	1986
Men's dress & sport coats (including uniform)	17,484	19,692
(Thousands of units)		
Percent	100.0%	100.0%
Under $35	25.1	26.9
$35.00 to $49.99	24.3	27.0
$50.00 to $64.99	14.4	8.2
$65.00 to $79.99	9.4	11.3
$80.00 to $94.99	6.9	4.9
$95.00 to $109.99	3.9	6.4
$110 & over	12.8	11.4
Price not specified	3.2	3.9
Men's separate sport & dress trousers (including uniform)	110,149	113,839
(Thousands of units)		
Percent	100.0%	100.0%
Under $5.99	0.9	0.6
$6.00 to $9.99	13.4	15.5
$10.00 to $13.99	53.8	51.4
$14.00 to $17.99	9.3	10.1
$18.00 to $21.99	3.8	4.9
$22.00 & over	9.8	8.6
Price not specified	9.0	8.9

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

Materials Consumed in Production

Consumer preference for natural fiber products has fueled the use of cotton in apparel despite price increases. While the total market on a fabric weight basis for all men's apparel increased 3.4% in 1987, cotton rose a record 9% and cotton's share of the market rose from 53% to 56%, cotton's largest share in any apparel category. Cotton's share of the market in men's apparel increased in all areas, except jeans, during the first 4 months of 1988 compared to the same period in 1987. For example, in woven shirts cotton's share rose to 65% from 60% and up to 68% from 65% in knit shirts.

PRODUCTION

Materials Consumed in Production (continued)

Cotton's Percent of Fabric Weight In Men's Sportswear

	1987	1986
Slacks	37%	32%
Jeans	91	89
Shorts	63	55
Woven Shirts	64	60
Knit Shirts	66	61
Sweat Shirts	48	45
Swim Suits	54	47
Sweaters	18	13

Source: Cotton Inc.

PRODUCT SHIPMENTS

The total value of all specified men's sportswear/casual wear shipped by all U.S. plants, regardless of the plants' SIC classification based on primary products, totaled close to $7.7 billion in 1987, registering a small gain of 2.9% compared with 1986. T-shirts exhibited the biggest increase (28.1%). Men's athletic shorts and jean-cut slacks also rose.

Active sportswear for both men and boys registered a 5.2% decline in value of shipments. However, a major fleece category, sweat shirts, registered a 2.1% gain in shipment value. A sharp cut was noted in men's and boys' swimwear shipments and the value of shipments each year was about even. Higher prices helped in some cases to offset cuts in units.

The Value of Shipments of Specified Men's Sportswear/Casual Wear By All U.S. Manufacturers: 1986, 1987
(Millions of dollars)

	1987	1986	% Change 1987/86
Reported men's sportswear/casual wear, total, including outerwear	$7,765.0	$7,545.9	+ 2.9%
Tailored suit-type dress & sport coats (including uniform)	995.6	1,111.7	- 10.4
Separate vests, incl. sweater vests	6.6	14.8	- 55.4
Sport shirts: woven	355.9	361.3	- 1.5
Knit shirts:			
T-shirts & tank tops made for outerwear, including long-sleeve T-shirts	748.0	583.9	+ 28.1
Other men's knit shirts except sweat shirts	675.0	670.0(e)	+ 0.7
Sweaters, incl. sweater vests, cardigans, pullovers	297.6	309.1	- 3.7

(continued)

The Value of Shipments of Specified Men's Sportswear/Casual Wear By All U.S. Manufacturers: 1986, 1987

(Millions of dollars)
(continued)

	1987	1986	% Change 1987/86
Men's shorts, trousers, jeans, jean-cut casual slacks	3,862.5	3,380.4	+ 0.3
Separate dress sport trousers	1,470.4	1,507.8	- 2.5
Jeans & dungarees	1,835.2	1,858.6	- 1.3
Jean-cut casual slacks	322.0	276.2	+ 16.6
Shorts, incl. athletic	234.9	187.8	+ 25.1
Outerwear:*	723.8	664.7	+ 8.9
Men's heavy nontailored outer jackets except ski, incl. padded vests & uniform jackets	418.7	362.5	+ 15.5
Light nontailored outerjackets	267.9	249.5	+ 7.4
Down & feather filled coats, jackets and vests (men's & boys')	37.2	52.7	- 29.4
Reported Active Sportswear (including men's & boys), total	1,044.7	1,101.6	- 5.2
Sweatshirts	533.7	522.8	+ 2.1
Sweat pants	245.6	263.2	- 6.7
Warmup or jogging suits	65.1	64.8	+ 0.5
Swimwear	68.0	122.7	- 44.6
Ski jackets, incl. ski vests	30.2	46.1	- 34.4
Ski pants	8.6	5.6	+ 53.6
Team sports uniforms	93.5	76.4	+ 22.4

(e) estimated

* Leather and sheep-lined jackets are not included in CIR apparel productio data. In 1987, leather apparel was an important fashion item and U.S. total shipments were valued at $151 million, including men's, women's and children's. This compared with shipments valued at $141 million in 1986, according to the International Trade Administration: 1988 U.S. Industrial Outlook.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23E(87) Issued August 1988

PRODUCT SHIPMENTS

The share of the total value of shipments of specific products in the sportswear/casual wear category accounted for by the largest producers was reported by the Census Bureau for 1982. As expected, the jeans industry is the most highly concentrated, with over two-thirds of shipments centered in four companies as of 1982.

Share of Value of Total Shipments
Accounted For By Largest Companies, 1982

	Total Shipments	% of Total Accounted For By Largest Companies			
Men's:	(mil. $)	Top 4	Top 8	Top 20	Top 50
Tailored dress & sport coats, jackets	$ 944.0	24%	42%	73%	93%
Knit sport shirts, incl. sweatshirts (incl. boys')*	1,112.9	23	38	62	87
Dress & sport shirts, woven (incl. boys')	1,212.1	29	42	64	87
Separate dress & sport trousers (incl. boys')	2,107.0	25	39	57	77
Jeans, incl. jean-cut casual slacks (incl. boys')	2,543.9	67	76	88	97
Heavy outerwear coats, jackets, non-tailored (incl. boys')	449.8	20	35	61	88
Leather & sheep-lined clothing (men's, women's, children's)	207.3	30	45	67	87

*Shirts made in cut-and-sew shops of knitted fabric. (Other knit shirts are made in knitting mills and comparable data is not available.)

Source: U.S. Bureau of the Census:
1982 Census of Manufactures;
Concentration Ratios in Manufacturing MC82-S-7

For a limited number of major products the U.S. Census Bureau has included information on value of shipments by state in 1982, based on the census of manufactures compiled every five years. Following is information for leading states.

Since 1982, the pattern in the apparel industries has been toward greater concentration among fewer companies operating fewer plants.

PRODUCT SHIPMENTS

By State

Value of Shipments By All Producers in Leading States: 1982
(Millions of dollars

Product*	1982 Value	1982 %
Men's/boys' knit sport shirts	$1,112.9	100.0%
States		
Alabama	185.5	16.7
California	41.6	3.7
Georgia	88.5	8.0
New York	145.3	13.1
North Carolina	178.0	16.0
Pennsylvania	43.4	3.9
South Carolina	127.6	11.5
Tennessee	84.7	7.6
Other	218.3	19.6
Men's/boys' dress & sport shirts	1,212.1	100.0
States		
Alabama	105.7	8.7
Georgia	183.4	15.1
New York	225.0	18.6
North Carolina	109.3	9.0
Pennsylvania	136.9	11.3
South Carolina	70.6	5.8
Tennessee	70.3	5.8
Other	310.9	25.6
Men's/boys' jeans, jean-cut casual slacks	2,543.9	100.0
States		
Alabama	84.4	3.3
California	150.1	5.9
Georgia	219.8	8.6
Kentucky	86.9	3.4
Mississippi	138.3	5.4
New York	88.4	3.5
North Carolina	42.0	1.7
Tennessee	458.1	18.0
Texas	580.8	22.8
Virginia	105.1	4.1
Other	590.0	23.2

(continued)

PRODUCT SHIPMENTS

By State (continued)

Value of Shipments By All Producers in Leading States: 1982
(Millions of dollars)
(continued)

	1982	
	Value	%
Men's/boys' heavy outer wear coats & jackets	$ 449.8	100.0%
States		
California	23.5	5.2
Missouri	38.0	8.4
New York	29.4	6.5
Pennsylvania	23.8	5.3
Tennessee	62.0	13.8
Washington	34.0	7.6
Other	239.1	53.2
Men's/boys' outerwear, n.e.c.**	770.8	100.0
States		
Alabama	85.9	11.1
California	53.7	7.0
Georgia	61.6	8.0
Missouri	45.0	5.8
New York	112.0	14.5
Pennsylvania	54.8	7.1
Tennessee	47.2	6.1
Other	310.6	40.3

(e) estimated
n.e.c. not elsewhere classified
* Covers products made from purchased knit or woven fabrics. Does not include products made in knitting mills.
**Covers manufacturers classified in SIC 2392, which includes swimwear, activewear, athletic uniforms, wash suits, and other sport/casual wear made from purchased knit or woven fabrics.

Source: U.S. Bureau of the Census: 1982 Census of Manufactures, Industry Series MC82-1-23A

NATIONAL ADVERTISING EXPENDITURES

An overall view of national advertising devoted to broad sportswear classifications, including apparel for men, women and children, shows spending for space and for time up 3% in 1987 compared with 1986.

Women's items make up a high percentage of the advertising expenditure totals.

NATIONAL ADVERTISING EXPENDITURES

National Advertising Expenditures for Space/Time In Seven Measured Media, 1987

(Thousands of dollars)

	Sportswear		Bathing Suits & Beachwear	
	1987	% Change 1987/86	1987	% Change 1987/86
Measured media total	$173,182.1	+ 3.0	$1,814.6	+ 43.6
Magazines	97,092.9	+ 13.2	1,582.4	+ 41.9
Network TV	33,919.7	+ 12.8	na	---
Spot TV	23,192.5	- 15.6	57.3	+157.0
Cable TV	8,206.9	- 19.5	39.5	- 1.7
Newspaper Supplements	7,295.4	- 18.6	22.8	- 6.6
Network Radio	702.2	- 80.4	na	---
Outdoor	2,772.5	+ 33.9	112.6	+ 84.0

	Exercise & Athletic Wear	
	1987	% Change 1987/86
Measured media total	$2,424.8	+ 23.6
Magazines	2,059.3	+ 25.9
Network TV	na	---
Spot TV	260.2	- 7.2
Cable TV	77.9	+363.9
Newspaper Supplements	na	---
Network Radio	na	---
Outdoor	27.4	- 4.2

Sources: Leading National Advertisers, BAR/LNA Multi-Media Service
Newspaper Advertising Bureau

PRODUCER PRICES

Higher material and production costs, as well as incentive to match higher prices on imports, are reflected in increasing prices for apparel at the wholesale (factory) level, as well as at retail.

PRODUCER PRICES

Producer Price Index For Reported Men's Sportswear Items
(Base 1982=100 unless otherwise specified)

	Index	% Change in Monthly Avg. Index	
	April 1988	April 1988/87	Dec. 1987/86
All commodities	105.8	+ 3.8%	- 3.7%
All apparel	110.9	+ 2.9	+ 1.2
Men's & boys' apparel, total	112.0	+ 4.2	+ 1.1
Selected items:			
Trousers: dress, sport, uniform	108.7	+ 2.3	+ 3.4
Jeans & jeans-cut casual slacks			+ 2.2
Denim (men's)	114.9	+ 7.4	
Other fabric (men's)	104.4	nr	+ 1.2
Sportshirts, men's & boys'			
Woven (12/1984=100)	102.1	+ 1.5	- 0.5
Knit, incl. sweat (6/1983=100)	102.3	+ 3.6	+ 3.6
Sweaters, jackets, jerseys (12/1984=100)	106.7	+ 3.6	+ 2.3
Leather coats, jackets (men's & boys') (12/85=100)	118.3	+ 8.9	+ 1.4
Swimwear, athletic shorts, & other outerwear (men's & boys') (12/1984=100)	112.6	+ 5.8	+ 3.9

nr not reported

Source: U.S. Bureau of Labor Statistics

FOREIGN TRADE

Imports

The deficit in U.S. apparel trade widened in 1987 and continues to do so in 1988. The value of imports of all apparel in 1987 rose 30%; imports of specific types of men's and boys' sportswear (listed in the table on the following page) were up about 23% in value; T-shirt import value more than doubled.

The 1987-1988 growth in the value of apparel imports has resulted largely from a sharp rise in unit values due (1) to the weak dollar, which has raised the cost of some imports to U.S. buyers; (2) tighter quotas on imports from some countries, which encouraged suppliers to ship higher value merchandise to maximize profits; and (3) limited availability and higher raw material costs for some items. The import price index for all apparel in the period March 1987 to March 1988 rose 8.1%; for men and boys' woven outergarments the increase was 15.4%; on woven shirts a gain of 10% in import prices was reported by the Bureau of Labor Statistics.

While the value of specified men's sportswear imported into the U.S. gained 23% in 1987 compared with 1986, the increase in units was half as much--at 11.4%. Imports of men's trousers, slacks and shorts were up 31% in value; 21.1% in units.

FOREIGN TRADE

Imports (continued)

Quantity & Value of Imports of Specified Men's & Boys' Sportswear/Casual Wear: 1986, 1987

	Quantity* (Thous. Dozen)			C.I.F. Value* (Mil. $)		
	1987	1986	% Change 87/86	1987	1986	% Change 87/86
Specified men's & boys' sportswear/ casual wear items, total	70,580.9	63,343.5	+ 11.4%	$3,950.1	$3,220.4	+ 22.6%
Trousers, slacks & shorts, total	19,055.8	15,731.6	+ 21.1	1,230.2	939.2	+ 31.0
Wool	339.9	318.5	+ 6.7	68.6	64.7	+ 6.0
Cotton	11,748.9	9,136.6	+ 28.7	770.2	549.9	+ 40.1
Man-made fibers	6,967.0	6,281.5	+ 10.9	391.4	324.6	+ 20.6
Sport shirts, total	46,636.2	43,229.0	+ 7.9	2,227.6	1,873.2	+ 18.9
Woven, total	22,391.5	21,795.8	+ 2.7	1,095.4	1,014.0	+ 8.0
Cotton corduroy	118.5	100.9	+ 17.4	8.3	7.0	+ 18.6
Other cotton	9,173.9	8,098.2	+ 13.3	502.0	417.8	+ 20.1
Wool	194.0	203.4	+ 4.8	19.7	16.4	- 16.7
Man-made fibers	12,905.1	13,393.3	- 3.6	568.7	569.5	- 14.1
Knit, total incl. T-shirts	24,244.7	21,433.2	+ 13.1	1,132.2	859.2	+ 31.8
Cotton	10,983.1	8,996.8	+ 22.1	589.1	450.4	+ 30.8
Wool	67.1	76.0	- 11.7	9.5	10.0	- 5.0
Man-made fibers	9,743.1	9,823.2	- 0.8	473.4	370.5	+ 27.8
T-Shirts, cotton	3,451.4	2,537.2	+ 36.0	60.2	28.2	+113.5
Sweaters, total	4,888.9	4,382.9	+ 11.5	492.3	408.0	+ 20.7
Wholly or in part cashmere	32.6	44.9	- 27.4	23.4	22.4	+ 4.5
Sheep-like hair, except cashmere	146.6	154.1	- 4.9	21.0	20.6	+ 1.9
Wool	1,242.9	1,316.4	- 5.6	152.8	157.3	- 0.3
Cotton	669.9	434.7	+ 54.1	93.7	57.5	+ 63.0
Man-made fibers	2,796.9	2,432.8	+ 15.0	201.4	150.2	+ 34.1

*Quantity covers imports for immediate consumption as well as withdrawals from warehouses. General imports, covered in Value include imports for immediate consumption plus warehouse withdrawals.

The C.I.F. (cost, insurance, freight) value represents the value of imports at the first port of entry into the U.S. It is based on the purchase price and includes all freight, insurance and other charges (excluding U.S. import duties) incurred in bringing the merchandise from the country of exportation and generally placing it alongside the carrier at the first port of entry in the U.S.

Source: U.S. Bureau of the Census:
U.S. General Imports & Imports for Consumption
(FT 135-December 1987, 1986)

Due to a shift in consumer demand, most of the gain in trouser imports occurred in cotton trousers, which increased by 29% in quantity and by over 40% in value in 1987. Hong Kong is the largest supplier of trousers. In general, Taiwan, Hong Kong and Korea are the big suppliers of apparel to the U.S. Imports from China, the fourth largest, were subject to embargoes on trousers after China had filled its quotas.

Imports (continued)

Over 90% of the manmade-fiber knit shirts and approximately 80% of both the wool and cotton knit shirts for men during 1987 were subject to some form of import restraint applying to major suppliers under agreements negotiated in 1986. Coupled with the sharp increases in prices of merchandise from the European Community, due to the devalued dollar, tight quotas on shipments from the Big Three, China and on Japan have increased opportunities for a number of smaller suppliers, particularly those in Asia, to expand their shipments to the U.S. These countries include Brunei, Indonesia, Malaysia, the Phillippines, Singapore and Thailand, as well as others.

Imports from the Caribbean Basin also continued their rapid growth. Overall in apparel, about 78% of these imports consisted of garments assembled in the Caribbean from U.S.-fabricated components and entered under U.S. tariff provision 807, which allows duties to be applied only to the value added in assembly abroad. Non-807 imports from the Caribbean Basin and Mexico have grown due to the increased investment in the apparel industry in these areas by major Asian producers whose growth potential has been limited by tight U.S. quotas.

Moreover, the largest Caribbean suppliers, the Dominican Republic, Jamaica, Costa Rica and Haiti, representing 81% of total apparel imports from Caribbean countries in 1987, have entered into the U.S.'s "special access program", known as 807-A, which guarantees them and other eligible Caribbean countries greater access to the U.S. market for their products assembled with fabric both produced and cut in the U.S. A somewhat similar "special regime" has recently been created with Mexico, the largest supplier of apparel under the 807 provision.

Information on the quantity and value of "807" imports of specified men's wear has been separately reported by the Census Bureau for 1986, but not for 1987 Apparel, Current Industrial Reports, MA23A(87). However, it is noted that they are included in exports (which in that regard might be overstated since they may be reported in pieces, rather than completed garments). The "807" imports are also included in import data.

Quantity & Value of "807" Imports: 1985, 1986
(Quantity in thousands of dozens; Value in millions of dollars)

	1986			1985		
	Quantity	Value of U.S. Content*	Total Value**	Quantity	Value of U.S. Content*	Total Value**
Men's & boys', total listed stores	6,735	$255.1	$396.2	5,104	$184.5	$308.7
Sweaters	31	0.7	2.4	13	0.1	1.4
Shirts	2,286	53.4	111.0	1,987	39.6	98.1
Trousers, slacks, shorts	4,217	181.0	249.7	2,889	127.3	174.3
Jackets-suit type	184	19.6	31.9	179	16.6	33.7
Swimwear	17	0.4	1.2	36	0.9	1.2

Note: "807" apparel is included in domestic output, imports, and exports. For explanation of this import classification, see above discussion.

* Represent the value of U.S. fabricated components.

**C.I.F. (cost, insurance, freight) value including the value of U.S. components and foreign processing.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

FOREIGN TRADE

Imports (continued)

Using a different merchandise classification system (published in Census Bureau report IM 146), the Bureau reported the following data on imports for 1987 and 1986 in the CIR report:

Quantity & Value of Imports For Consumption in the U.S.: 1986, 1987
(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (C.I.F.)		
	1987	1986	% Change	1987	1986	% Change
Men's & boys' specified sportswear, casual wear total	76,094	69,026	+10.2%	$5,934.1	$4,866.5	+21.9%
Sweaters	5,511	5,325	+ 3.5	731.6	640.2	+14.3
Shirts, incl. dress & work	48,544	44,633	+ 8.8	3,257.3	2,661.9	+22.4
Trousers, slacks, shorts (excl. wool knit)	20,379	17,023	+19.7	1,666.7	1,288.1	+29.4
Dress, sport coats	725	851	-14.8	246.7	244.7	+ 0.8
Swimwear	935	1,194	-21.7	31.8	31.6	+ 0.6

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

Exports

Matching the above classification reported in import data, the Census Bureau has reported the following summary information on U.S. exports. Much of any gains in exports have been attributed to the "807" program, and represent garments shipped unassembled to the Caribbean Basin and Mexico, then returned to the U.S. after assembly. Exports in terms of value have been helped by the cheaper U.S. dollar, which makes U.S. good less expensive in value terms of some foreign currencies and "traded up" merchandise is still a good bargain abroad.

Quantity & Value of Exports of Specified Apparel: 1986, 1987
(Quantity in thousands of dozens; Value in millions of dollars)

	Quantity			Value (F.A.S.)		
	1987	1986	% Change	1987	1986	% Change
Men's & boys; specified sportswear, casual wear total	7,997	6,433	+24.3%	$369.1	$177.7	+107.7%
Sweaters	62	83	-25.3	2.1	1.6	+ 31.2
Shirts, incl. dress & work	3,865	3,100	+24.7	104.3	80.9	+ 28.9
Trousers, slacks, shorts (excl. wool knit)	3,869	2,948	+31.2	130.0	86.8	+ 49.8
Dress, sport coats	191	54	+253.7	131.1	4.8	+2631.2
Swimwear	10	248	-96.0	1.6	3.6	- 55.5

F.A.S. free alongside ship

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

FOREIGN TRADE

Imports' Share of New Supply On the U.S. Market

The growth in imports' share of the U.S. market will be noted in the following summary. Tighter controls and quota restrictions have not stemmed the tide, which is fostered not only by the enterprise of foreign producers but by the sourcing abroad of large U.S. retailers, particularly to develop private labels, and by the opening of plants overseas by large U.S. companies.

Import data on specific types of men's activewear is not published by the Census Bureau. However, trade data and purchase tracking studies indicated that about a fourth of the units and 36% of retail dollars were accounted for by imports. In some classifications, imports accounted for well over half of dollar expenditures at retail.

Apparent Consumption & Imports Share: 1985-1987

	Apparent Consumption*			% Accounted For By Imports		
	1987	1986	1985	1987	1986	1985
QUANTITY (Thous. dozens)						
Men's & boys						
Sweaters	7,888	8,092	7,097	69.9%	65.8%	62.7%
Shirts (all types)	101,665	94,592	102,863	47.7	47.2	41.0
Bottoms	60,670	60,381	55,284	33.6	28.2	25.4
Dress, sport coats	2,100	2,533	2,485	34.5	33.6	32.8
Swimwear	1,255	2,294	2,231	74.5	52.1	45.9
VALUE (Millions of $)						
Specified apparel, total						
Sweaters	$ 1,058.6	$ 983.2	$ 843.8	69.1	65.1	60.9
Shirts (all types)	6,120.2	5,369.2	6,170.3	53.2	49.6	42.0
Bottoms	6,736.5	6,607.1	6,096.6	24.7	19.5	18.4
Dress, sport coats	1,257.6	1,378.3	1,345.8.	19.6	17.8	18.9
Swimwear	93.3	150.7	144.8	34.1	21.0	22.4

*Apparent consumption represents new domestic supply, and is derived by subtracting exports from the sum of U.S. manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA23A(87)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET (POPULATION)

The fastest growing segment of the male population between 1988 and 1995 will be the 35-54 year old age bracket, increasing 24.3%. This growth, which reflects the aging of the baby boom generation, will push the number of males in this segment to 40.8 million in 2005, accounting for more than 30% of the total male population, up from 24.4% in 1987.

This rapidly increasing age group is also the most affluent. Median income for all U.S. males age 18 and over was $17,905 in 1986. Among males age 25 to 34, the median was $19,162; for men 35 to 44 years, the median was $26,172; for men age 45 to 54, the median was $27,756.

Estimated Male Population of the U.S., 1988, and Projections* to 1995 & 2005

	Number (Thousands)			% Change	Percent Distribution		
	1988	1995*	2005*	1995/1988	1988	1995*	2005*
Total, all ages	119,390	126,368	134,297	+ 5.8%	100.0%	100.0%	100.0%
Under 16 years	28,877	30,889	29,723	+ 7.0	24.2	24.4	22.1
16 years & older	90,513	95,482	104,574	+ 5.5	75.8	75.6	77.9
16-19	7,474	6,804	8,058	- 9.0	6.3	5.4	6.0
20-34	31,625	29,166	27,416	- 7.8	26.5	23.1	20.4
35-54	29,134	36,206	40,769	+24.3	24.4	28.6	30.4
55-64	10,079	9,865	14,060	- 2.1	8.4	7.8	10.5
65 & older	12,201	13,441	14,271	+10.1	10.2	10.6	10.6
Median age (years)	31.1	33.4	36.0	+ 7.4	--	--	--

*Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels. (Includes Armed Forces overseas.)

Note: Columns may not add to totals shown due to rounding.

Source: U.S. Bureau of the Census:
Current Population Reports
Series P-25, No. 952 (May 1984)

THE POTENTIAL MARKET

The second fastest growing age group will be the 65 and older males, a group expected to grow 10.1% by 1995. Recent studies show that exercise and health are top priorities among seniors. The affluence and fast growth rate of this group, plus the fact that a large segment are concentrated in the Sunbelt states, where outdoor activities are year-round, has had a strong impact on the men's sports/casual wear market. More manufacturers are making a special effort to go after the mature market. Exercise walking is the most popular activity among men 55 years or older, followed by fishing.

Big and Tall Men

The big and tall business has been highly specialized, but more and more manufacturers are moving into this burgeoning market, which is represented by an estimated 8-to-10% of the men's market. New information on the distribution of the adult male population in the U.S. by height and weight indicates a sharp gain in the big and tall market. The U.S. Department of Health, Education and Welfare recently updated its findings on the population by height/weight measurements. Those were projected to the total population as reported by the Census Bureau.

The number of tall males (6 foot, 3 inches or taller) increased over 30% in a 10 year period.

One and a half million out of a total 74.6 million adult males are at least six feet three inches tall. Close to one out of four of these men weigh 230 pounds or more, and another 9.6% weigh 220 to 229 pounds. Most tall men weighing over 230 pounds are in the 18-24 year old population (53%). A growing demand for larger sizes will be noted among older age groups as these young men move along the age scale. Almost 20% of big/tall men are 25 to 34, 19.1% are age 35 to 54, and 8.6% are 55 to 64.

CONSUMER EXPENDITURES

In order to collect a continuous flow of information on purchases by American consumers to be used in periodic revisions of the Consumer Price Index base, an on-going survey of a representative sample of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics.

CONSUMER EXPENDITURES

The Bureau of Economic Analysis, Department of Commerce, on the other hand, compiles figures on total personal consumption expenditures by major product classification. Drawing on the pattern in spending for specific types of men's wear reported by the BLS; and applying this information plus trade data to BEA based spending totals, results in the following estimates on expenditures for specific types of men's sportswear. This covers the value at retail of merchandise reaching the consumer, including nonretail channels as well as retail outlets.

Estimated Personal Consumption Expenditures: 1986

	Billions of dollars	Percent
Men's wear expenditures, total	$ 37.5	100.0%
Specified sportswear/casual wear, total	18.0	48.0
Slacks, jeans, dungarees	6.0	16.0
Sport shirts, knit & woven	4.4	11.7
Sweaters, sweater vests	2.0	5.3
Active (fleece, swimwear, etc.)	1.6	4.3
Outer jackets	1.6	4.3
Jackets, blazers	1.4	3.7
Shorts (other than fleece)	1.0	2.7

Note: The above figures do not include accessory items that swell the market for men's casual wear.

Source: Estimates based on Bureau of Economic Analysis and Bureau of Labor Statistics reports; trade sources

The BLS Consumer Expenditure Survey 1986 included information on the average percent of households in the U.S. who purchased one or more of the specified men's wear items in any quarter of 1986, and the average amount spent per quarter.

Quarterly Average Expenditures By U.S. Households For Specified Men's Sportswear/Casual Wear: 1986

	Quarterly Average	
	% of Households Purchasing	Amount Spent
Apparel for men age 16 & over, total	42.2%	$139
Slacks, jeans, dungarees	20.9	58
Sweaters, sweater vests	6.1	61
Shorts, short sets	5.1	31
Activewear	5.5	43

Source: U.S. Bureau of Labor Statistics: 1986 Consumer Expenditure Survey

BLS findings on the pattern in household spending by income group and by region are summarized in the following tables.

Percent Distribution of Expenditures for Men's Sportswear By Income Before Taxes, 1986

	Percent of Consumer Units Reporting Income	Sweaters	Trousers	Shorts	Sportswear	Coats & Jackets
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
$40,000 & Up	19.9	39.9	38.1	43.5	45.2	42.4
$30.000 - $39,999	12.6	15.8	16.7	15.1	16.7	15.4
$20,000 - $29,999	16.7	15.8	16.5	15.4	15.5	15.4
$15.000 - $19,999	10.2	6.9	8.0	4.5	5.7	6.7
$10,000 - $14,999	12.5	7.7	7.9	8.9	5.8	8.2
$ 5,000 - $ 9,999	15.9	7.2	6.2	6.9	4.9	6.1
Less than $5,000	12.3	6.6	6.6	5.7	6.2	5.7

Percent Distribution of Expenditures for Men's Sportswear By Region, 1986

	Percent of Consumer Units	Sweaters	Trousers	Shorts	Sportswear	Coats & Jackets
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	21.2	24.1	23.7	19.5	20.3	31.9
Midwest	25.2	25.9	21.5	19.0	18.8	25.8
South	34.0	27.5	32.7	38.4	29.6	22.6
West	19.6	22.5	22.0	23.0	31.3	19.7

CONSUMER PRICE TRENDS

While the average consumer price index for men's wear rose 3.8% in 1987, the CPI for coats and jackets rose 4.7%. Prices of shirts rose the most, up 6.2%, while jean and trouser prices rose 3.3%.

The latest monthly averages released by the Bureau of Labor Statistics are for May 1988. They show a 4.7% increase in consumer prices for all apparel from the same month last year. The CPI for men's wear was up 3.3% for the same months, while the averages for shirts were up 5.5% from May 1987; for jeans and trousers, up 3.6%.

June retail prices for men's wear and other apparel, however, were below May levels due to promotional activity.

Consumer Price Index of Specified Men's Sportswear Items
(1982-1984 = 100)

	May Averages	Annual Averages		
	% Change 1988/87	1987	1986	% Change 1987/86
All items	3.8%	113.6	109.6	+ 3.6%
Apparel commodities less footwear	4.7	109.6	104.7	+ 4.7
Men's apparel	3.3	110.4	106.4	+ 3.8
Coats & jackets, suits, sportcoats	1.2	111.3	106.3	+ 4.7
Shirts, dress & sport	5.5	113.7	107.1	+ 6.2
Dungarees, jeans & trousers	3.6	107.8	104.4	+ 3.3

Source: U.S. Bureau of Labor Statistics

RETAIL SALES

By Merchandise Line

Government figures on retail sales of specific merchandise lines are only compiled in the complete census of retail trade taken every five years. The most recent covers results in 1982, and information from this source has been included in previous editions of the MEN'S SPORTSWEAR, CASUAL WEAR Fact File.

Information on a current basis is provided to marketers (clients) by private research organizations which track consumer spending patterns through diaries maintained by nationwide panels of households, and through estimates based on other trade sources, including trade associations, trade paper coverage, etc.

RETAIL SALES

By Merchandise Line (continued)

An analysis of retail market trends vs. recent performance has been compiled by Kurt Salmon Associates Inc., New York (The KSA Perspective, December 1987). Men's sportswear purchases in 1988 were expected to be relatively weak compared with 1987, according to a market projection made at the end of 1987 by KSA. The absence of a strong fashion influence was cited as a factor. Rising prices are also a major factor.

Based on data collected by the NPD (National Panel Diary) Group, Kurt Salmon expected the bright spot for the industry would be activewear, such as the bike pant and other closer fitting stretch garments. Unit purchases of casual shirts were expected to rise a moderate 3% in 1988, and denim jean purchases were expected to decrease slightly.

Active sportswear exhibited the largest gains in 1987, increasing by an estimated 25%. However, KSA/NPD data indicate that more than half of the year's growth in all activewear took place in the discount retail sector suggesting that price became more of a factor in 1987.

Year-to-Year Changes in Unit Purchases of Specified Men's Sportswear, 1984-1988

	Projected	Estimated	Actual	
	1988/1987	1987/1986	1986/1985	1985/1984
Mens's Wear, Total	+ 1%	+ 3%	+ 3%	0
Casual shirts	+ 3	+ 5	+ 6	+ 5
Active sportswear	+ 7	+25	+20	+10
Sweaters	+ 1	+ 7	- 5	+ 3
Slacks	+ 1	+ 7	- 3	- 6
Denim jeans	- 1	- 2	0	- 5

Source: Kurt Salmon Associates/NPD Purchase Panel, Soft Goods Outlook for 1988

Rising prices are the main concern of retailers at the present time as they look ahead to 1989. Continued increases are expected due to rises in costs of imported merchandise, as well as in domestic manufacturers, due to higher fiber/fabric costs and on trading up. Spring/Summer 1988 results were disappointing and retailers are concerned as most expect their buyers to encounter at least a 10% increase in sportswear prices for next season.

In shirts, the woven/knit cycle is reported to be starting a move away from knits, and there is also a proliferation of new fabrications and styles available in both domestic and overseas markets.

Sales of men's slacks have been relatively strong. MRCA Soft Goods Information Service has projected a gain of 8.4% in unit sales, and 13.7% in dollar sales for the first quarter of 1988 vs. first quarter of 1987; this based on their purchase tracking studies. Results in dollar sales of specified men's sportswear/casual wear in 1987 compared with 1986 were reported as follows:

By Merchandise Line (continued)

Percent Change in Dollar Volume
Of Specified Men's Sportswear, 1987/1986

Activewear*	+31.6
Woven Sport Shirts	+20.6
Sweaters	+17.0
Shorts	+13.4
Knit Sport Shirts	+ 9.9
Slacks	+ 7.9
Outer Jackets	+ 2.4

* not including swimwear.

Source: MRCA Soft Goods Information Service

RETAIL SALES BY STORE TYPE

Retailers are wrestling with a number of new issues and opportunities such as: private label for better margins and market strategy/positioning; sourcing options, for relief from higher prices in the Far East; bar-coding, electronic data interchange with vendors and Quick Response merchandising.

In addition, department and specialty stores have lost market share to chains, discounters, and other categories such as off-price, mail order, sporting goods, and factory outlets/warehouses.

Mail order purchases, although representing only 3.6% of the market, increased 32.8% in all men's apparel dollar volume between 1985 and 1987, according to MRCA. Specific items registering gains include woven and knit sport shirts, outer coats, jackets and sweaters.

Specialty Stores

Industry sources estimate department store men's operations average about 15% tailored clothing, 50% sportswear, and 35% furnishings. Specialty men's wear stores average 52.7% tailored clothing, 28% sportswear, and 19.3% furnishing.

Specialty stores are trying to eke out a profit on a volume and inventory that is far less than in competing stores. Private label assortments are being beefed up so that their merchandise will be distinctive. With higher prices specialty stores must fight hard to maintain market share and lure loyal customers.

Men's sportswear represented a median of 21.1% of total store sales, according to MRA members reporting on characteristics of the men's wear retailing industry in the following chart. Sales in men's clothing stores increased only 1.2% in 1987 with coordinated leisurewear, sweaters, and actionwear showing the best results. Sportshirts represented the largest share of the classification's sales and 6.8% of total store sales. Markdowns were 17.2% of total store sales in the typical reporting store.

Specialty Stores (continued)

Selected Merchandising & Operating Results in Men's Wear Stores: 1987
(Median results)

	Total Men's Sports Wear	Sport Shirts	Sweaters	Action Wear	Casual Slacks	Jeans	Jackets & Heavy Outer Wear	Coord. Leisure Wear
% change in sales 1987/1986 (63)*	+ 1.2%	- 2.9%	+ 7.3%	+ 6.2%	+ 2.3%	- 4.3	+ 2.6	+14.4
% of total store sales (72)*	21.1	6.8	4.1	1.7	+ 3.9	+ 2.5	+ 2.8	+0.8
% distribution of average inventory in men's sportswear dept. (48)*	100.0	31.0	20.8	7.2	18.4	13.4	15.8	3.1
Markdowns, % of sales (53)*	17.2	17.7	16.5	19.9	15.0	13.1	20.0	21.8
Number of stock turns (50)*	2.3	2.3	2.5	2.5	2.1	1.7	1.9	1.8

* Number of reporting firms in each category.

Source: Menswear Retailers of America:
1988 Annual Business Survey

Sportswear continues to be the single most important growth area for men's specialty stores in 1988, according to members of Menswear Retailers of America (MRA). Most stores have steered away from the fashion forward European sportswear lines and have opted instead for traditional resources such as Polo, Ruff Hewn, Nautica and others.

Specialty retailers, such as Chess King and Merry-Go-Round Enterprises are adjusting their advertising to gain a greater share of the image-driven youth market. Others are aggressively pursuing the men's market with highly segmented apparel lines and first-time advertising and promotion efforts targeted to men. ACA Joe, for example, started a direct marketing catalogue, and began promotion and advertising. The Gap and its popular division, Banana Republic Safari and Travel Clothing, now target babyboomers in the 28-44 age group.

Men's sportswear sales were distributed as follows in the typical men's wear store in 1987, according to the MRA.

Specialty Stores (continued)

Percentage Distribution of Sportswear Sales By Merchandise Classification in Men's Wear Stores: 1987

(Median Results)

	Total	Firms Handling Men's Wear Only (34)	Firms Handling Women's Wear (39)
Men's sportswear, total	100.0%	100.0%	100.0%
Sport shirts	35.0	35.0	34.8
Sweaters	20.7	21.5	19.0
Actionwear	7.9	7.3	7.9
Casual slacks	15.5	15.1	19.4
Jeans	10.7	12.0	7.8
Jackets, heavy outerwear	13.0	12.9	13.1
Coordinated leisurewear	3.1	2.9	3.2

Note: For each merchandise category, only those stores reporting that category are included in the tabulation Columns therefore do not add to 100% as each category has its own base.

Source: Menswear Retailers of America:
1988 Annual Business Survey

According to the U.S. Bureau of the Census, 15,931 men's wear stores were in operation in 1985, (the latest County Business Patterns Report available). Included are all stores with one or more employees. This compares with a total of 17,480 counted in the 1982 Census of Retail Trade (Census Bureau).

The number of family clothing stores was reported at 16,643 in 1985, compared with 17,859 in 1982.

Compared with 1986, total men's wear store sales ($9.0 billion) were up only 0.8% in 1987. Family clothing store sales ($19.5 billion) gained 9.1% over the 1986 total of $17.8 billion.

Department Stores

According to the Census Bureau, the number of department stores in operation in the U.S. totaled 9,982 in 1985, up from 9,767 in 1982. Sales (in current dollars) increased from $107.2 billion in 1982 to $151.7 billion in 1987. Discount department stores accounted for 45% of the 1987 total volume, national chains, 24%. In 1982, discount department stores represented 37.3% of the department store total; department stores operated by national chains (Sears, Ward, Penney) accounted for 28%. The remaining cut of the pie was held by conventional department stores.

Department Stores (continued)

In the typical department store with a total volume over $2 million, sales of men's and boys' sportswear accounted for over 7% of total store sales, according to the National Retail Merchants Association. The 1987 NRMA report on operating results shows net sales of men and boy's sportswear in the typical store increased 11.7% from the year before while sales in stores with volume over $100 million increased 12.9%. Sales per square foot were a median $158.0 for these departments in stores with a volume of over $2 million.

Sportswear is the greatest contributor to total department store sales of all men's and boys' wear classifications. Comprising half of total volume in typical department stores; over $2 million a year and slightly more than half in larger department stores with over $100 million in volume. However, specialty stores are springing up to capitalize on the growing men's sportswear market, such as the Limited's Express Man and the new sportswear outlets developed by some traditional clothing store's.

Merchandising & Operating Results of Men's & Boys' Sportswear Departments In Department Stores, 1986

(Median results)

	Total Store Sales	
	Over $2 Million	Over $100 Million
Number of reporting companies	51	28
Net sales, % change from last year	+ 11.7%	+12.9%
Sales, % to total store	7.2	7.5
$ sales per sq. ft. of selling space (main or largest unit)	158.0	na
Cumulative markon, %	51.9	51.5
Gross margin, % of net sales (incl. cash discounts)	40.2	40.4
Markdowns, retail, % of sales	21.3	20.4
Number of stock turns (times)	3.0	3.0
Advertising, % of net sales	2.7	2.7

Source: National Retail Merchants Association
Merchandising & Operating Results of 1986
(1987 edition)

Mass Merchandisers

Most customers purchasing their major apparel items at these stores are under 45 years of age. According to a study of purchases at 11 top mass merchandisers, conducted during the 12 month period from October 1985 through September 1986 by MRCA Information Services, these men account for 63% of the total adult male population and 71% of the purchases made for the eight classifications surveyed. Over a third of transactions were made by men in the top 25% of all U.S. households based on income class. The retailers included in this study were J.C. Penney, Sears, Montgomery Ward, Caldor, K mart, Target, Zayre's, Bradlees, Gold Circle, Venture, and Wal-Mart.

Mass Merchandisers (continued)

Mass merchants are also attracting educated consumers. Better than 90% of the purchases tracked were for men in households headed by a person with at least a high school education. Over half had a college education, including 13% with graduate school study.

These retailers are having a growing impact in the sales of fashion-sensitive sportswear classifications at the expense of traditional department and specialty stores. Well over a third of all purchases of sweatshirts and knit and woven sport shirts were accounted for by the 11 mass merchandisers represented in this survey. They also accounted for about one third of the jeans purchases, one out of every four purchases of outerwear, casual slacks and 22% of sweaters.

Share of Total Purchases Spent in Mass Merchandisers For Selected Men's Sportwear Items, 1986

	Units	Dollars
Slacks	26.3%	22.4%
Jeans	32.8	30.0
Shorts	35.2	30.4
Woven Sport Shirts	34.7	30.0
Knit Sport Shirts	35.0	28.5
Activewear	37.1	30.5
Outer Jackets*	25.5	na
Sweaters*	22.3	na

* For 12 months ending September 1986.

Source: MRCA Information Services

Women's share of purchases of the men's sportswear items listed in the chart above, were up for jeans and activewear compared to three years earlier. However, on other items, their share of purchases remained the same or fell off slightly. In 1986, women spent 78% of all dollars for men's activewear, purchasing 73% of men's sport shirts, 52% of mens slacks, and 60% of shorts at the 11 mass merchandisers.

From 1984 to 1987, purchases of jeans and casual slacks in mass merchandisers represented 28.4% of the $3.32 billion market, up from 26.1% in 1984. This represents a 14.7% increase in the share of market held by mass merchandisers versus a 6.6% increase in the total market. Unit volume, on the other hand, which decreased for the total market by 2%, grew 7% at the mass merchants to 62.8 million units.

Discounters

Unit consumption of men's wear at full-line discounters and apparel off-pricers increased 2.7% for the 12 months ended March 1987, with activewear pacing all categories, according to Discount Store News research and industry analysts. Discounters share hit 34% in 1986, increasing from 29% in 1983. Discount stores are moving away from basics and becoming more fashion oriented, targeting the lower end customer from higher-priced stores.

RETAIL SALES BY STORE TYPE

Sporting Goods Stores

Sporting goods stores, which have always held a major share of apparel sales for active sports participants, have been broadening their apparel stocks to include the active looks sought by non-participants or "street activewear". Warmups, at various price points and in various fabrications, continue to be a big seller. Many sporting goods stores report that apparel sales represent a growing share of their sales, at the expense of declining equipment sales.

Total sporting goods store sales in 1987 amounted to $13.4 billion. (Comparable figures for earlier years are not available.)

RETAIL ADVERTISING PATTERN

Mid-summer and the holiday season are the tims of the periods in which retailers step up advertising on men's sportswear.

Percent of Newspaper Ad Linage Done By Retailers Each Month

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Slacks	3.3%	6.3	8.9	7.6	6.4	13.8	6.2	12.3	7.5	7.5	9.0	11.2
Sportswear/ Accessories	2.5%	3.9	6.9	7.4	7.9	18.1	4.3	9.1	6.0	7.0	11.5	15.4
Sportcoats	4.9%	5.1	11.5	5.5	4.3	12.1	2.5	6.4	8.6	11.6	14.8	12.7

Source: Advertising Checking Bureau, 1986

More ad dollars are devoted to lower priced items.

Percent of Newspaper Ad Linage Done By Retailers
By Price of Item Sold

	To $10.00	10 01-15.00	15.01-20.00	20.01-25.00	25.01-30.00	Over 30.00	Unpriced
Sport Shirts	35.8%	25.6	17.3	11.0	4.4	3.8	2.1

	To $15.00	15 01-20.00	20.01-25.00	25.01-30.00	30.01-35.00	Over 35.00	Unpriced
Slacks	28.5	32.5	16.7	8.1	4.3	7.4	2.5

Source: Advertising Checking Bureau, 1987

RETAIL MERCHANDISING TRENDS

Private Label

Stores are taking a stronger position in private label, in order to generate a quality product in their own fashion colors and styles. As branded merchandise is increasingly sold in numerous other outlets and at a discount by off-price retailers, private label gives the store opportunities to have a distinctive image. Improving gross profit margins and maintaining competitive prices through control of the timing of markdowns and sales are also dominant reasons for private label programs.

Rising costs of imports and quota problems are expected to boost domestic manufacturing of private labels. Haggar Apparel Co. disclosed plans for a line of dress and casual slacks and blazers. Phillips-Van Heusen Corp.'s private label operations are growing at a faster clip than any of its branded or designer label division.

Participants in the Kurt Salmon Associates consumer purchase studies listed 500 different private brand labels in the most recent survey, up from 250 in 1983. The increased consumer interest for private labels in fleecewear, along with outerwear and knit shirts is shown in a report compiled by NPD Research in its monthly POSTS (Point of Sale Tracking Service) sampling among the nation's top 100 department stores.

During the retail fourth quarter of November 1987 to January 1988, private label accounted for 21.7% of fleecewear unit sales, an increase of 8.8 percentage points over the same quarter the previous year. In outerwear, private label represented 17.9% of sales during this time period, up 7.3 percentage points compared with 1986. However, sweaters and woven sport shirts, where private label dominates, both showed declines in sales share.

Private Label's Share of Sales
(Percent of Total for Item)

	Fourth Quarter	
	1987	1986
Men's sportswear		
Knit shirts	34.0%	27.3%
Woven sport shirts	36.9	37.5
Sweaters	45.1	46.6
Jeans	0.7	0.9
Slacks/pants	11.0	7.3
Fleecewear	21.7	12.9
Outerwear	17.9	10.6

Source: NPD Research: POSTS (Point of Sale Tracking Service)

RETAIL MERCHANDISING TRENDS

Private label traditionally dominated in chain stores, but for the full year 1987, purchases of private label merchandise increased in specialty and department stores.

Private Label
Percent of Dollar Purchases at Retail

	Specialty		Department		Chain Stores	
	1987	1982	1987	1982	1987	1982
Men's sportswear:						
Sweaters	26	18	16	11	68	70
Jeans	8	4	2	1	30	71
Sweats	23	5	13	8	38	61
Swimwear	2	2	3	1	20	78

Source: KSA/NPD Purchase Panel

Licensing

In 1987, licensed apparel and accessories grew by half a billion dollars from the previous year, according to the Licensing Letter. Licensed goods are at the highest level of penetration in the sportswear/actionwear line--73% of stores that carry sportswear/actionwear have licensed merchandise in this category. Sportswear is also frequently named as the class of licensed products that generates the highest sales, according to a study by Audits & Surveys for the Licensing Industry Merchandiser's Association. Industry sources note a growing interest in corporate and sports-themed apparel licensing.

CONSUMER PURCHASING PATTERNS

The following table, completed by NAB (based on data collected by MRCA Information Services, 1984) is an approximation of men's wear purchases by month. It shows, for example, that in January an average of 96 pairs of jeans were purchased per 1,000 households. Multiplying the purchase rate shown for a particular category each month by the number of households in a given area yields an estimate of the quantity actually purchased. These numbers reflect the large volume of men's wear purchases that can be expected in the summer months and during the holiday season.

CONSUMER PURCHASING PATTERNS

Average Purchase Rate (in Units) Per 1,000 Households

	Avg. Month	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Shirts/Sweaters	660.5	410.7	399.8	502.2	416.4	470.9	817.5	583.1	595.9	533.7	608.7	776.9	1,810.8
Pants/Slacks/Shorts	227.1	131.6	122.8	200.2	211.4	261.9	433.5	248.4	236.1	201.1	137.4	181.1	359.9
Jeans	154.8	96.1	101.5	142.8	127.7	101.7	150.9	145.0	220.1	171.3	120.6	155.7	324.7
Swimwear/Sweats	73.0	43.1	50.5	63.4	34.4	54.7	91.6	56.8	43.5	60.4	61.9	119.1	196.9

Source: Newspaper Advertising Bureau, (NAB):
1987 Newspaper Advertising Planbook

The distribution of purchases by price was reported as follows:

Percent of Men's Sportswear Purchases By Price

	Under $10	$10-19.99	$20-29.99	$30-39.99	$40-49.99	$50 & Over
Light jackets	12.6%	32.0%	24.6%	14.8%	5.1%	10.9%
Slacks	11.3	51.6	28.1	5.8	1.7	1.5
Jeans	12.6	74.6	11.0	1.7	0.1	--
Sweaters	22.2	49.3	18.3	6.9	2.0	1.2
Sport shirts	58.5	34.7	5.7	0.9	0.1	--
Swimsuits	62.4	30.6	5.9	1.1	--	--
Warmups	6.3	34.6	31.1	13.5	9.2	5.3

	Under $25	$25-49.99	$50-99.99	$100-149.99	$150-199.99	$200 & Over
Heavy jackets	46.0%	34.9%	14.7%	3.1%	1.1%	0.2%

Source: Newspaper Advertising Bureau,
1988 Newspaper Advertising Planbook
(Based on MRCA Information Services, 1984 Data)

CONSUMER PURCHASING PATTERNS

The following table summarizes the percentage of men in the U.S. who bought at least one of the items in each category during a 12 month period, based on over 14,000 diaries analyzed by Simmons Market Research Bureau. Over 25% of adult men purchased at least one pair of basic jeans-making this item almost a commodity product.

Percent of Men Buying At Least One Item
(During 12 month period)

	Percent
Jeans (Not Designer)	25.9%
Sport shirt	18.9
Lightweight jacket (not suit type)	13.7
Sweaters	12.3
Jeans (Designer/Dressy)	9.3
Heavyweight jacket (not suit type)	8.8
Swimsuit	8.7
Ski Clothes	3.2
Tennis Clothing	2.3

Source: Simmons Market Research Bureau: Study of Media and Markets, 1985

KSA/NPD Purchase Panel

The following information on purchases of men's sportswear/casual wear for men aged 16 years and older for 1986 and 1987 has been supplied by KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. The information is based on the findings from an on-going monthly panel tracking the purchases of 19,500 nationally representative families.

According to this source, purchases of sweaters gained a whopping 22.8% in dollars and knitshirts were up almost 17% to $2.4 billion. The gain in units was much less; 6.7% and 7.9% respectively, demonstrating the effect of higher prices. In contrast, outer jackets were down 4.5% in dollars, 11.4% in units.

Purchases of Men's Shirts, Sweaters & Jackets

	Dozen Units (Mil.)			Dollars (Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Sport Shirts:						
Total	37.6	35.3	+ 6.5	4,875.0	4,350.0	+ 12.1
Woven	17.0	16.2	+ 4.9	2,472.5	2,295.3	+ 7.7
Knit	20.6	19.1	+ 7.9	2,402.6	2,054.7	+ 16.9
Sweaters	6.4	6.0	+ 6.7	1,636.7	1,332.4	+ 22.8
Outer Jackets*	3.9	4.4	- 11.4	1,684.1	1,762.7	- 4.5

* Includes ski, golf, rain and other.

CONSUMER PURCHASING PATTERNS

KSA/NPD Purchase Panel (continued)

Purchases of Men's Sport Shirts, Sweaters, Jackets By Outlet: 1986, 1987
(Percent of units)

	Sport Shirts		Sweaters		Jackets	
	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%
Department Stores	20.1	19.3	27.7	30.0	14.1	17.1
Mass Merchandisers*	19.7	21.4	19.2	19.1	20.1	18.8
Discount Stores	29.4	31.9	20.9	21.7	25.9	25.6
Specialty Stores	10.9	9.4	13.7	13.7	14.0	11.6
Sporting Goods	3.7	4.2	5.5	6.4	3.3	4.9
All Other Outlets	16.2	13.8	13.0	9.1	22.6	22.0

*Includes Sears/Penney/Ward/K-Mart.

Purchases of Men's Sport Shirts, Sweaters, Jackets By Outlet: 1986, 1987
(Percent of dollars)

	Sport Shirts		Sweaters		Jackets	
	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%
Department Stores	24.7	25.5	29.3	32.3	15.3	20.1
Mass Merchandisers*	19.8	22.1	16.6	16.6	16.9	16.1
Discount Stores	19.9	21.5	13.2	14.7	13.5	14.7
Specialty Stores	14.9	13.3	22.3	20.3	24.4	20.3
Sporting Goods	3.9	4.2	5.0	6.1	3.8	3.9
All Other Outlets	16.8	13.4	13.6	10.0	26.1	24.9

*Includes Sears/Penney Ward/K-Mart.

In 1987, more units were purchased in the highest price ranges, for both sport shirts and sweaters. Although 13.2% of sports shirts purchased in 1986 were priced at $17 or over, almost 19% cost that much in 1987.

Purchases of Men's Sport Shirts, Sweaters, Jackets By Price Point: 1986, 1987
(Percent of units)

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Sport Shirts							
	1987	100%	10.9	26.0	28.2	16.1	18.8
	1986	100%	13.2	29.6	29.9	14.1	13.2

	Year	Total	Less Than $8.00	$8 - $11.99	$12- $15.99	$16 - $19.99	$20 - $24.99	$25 - $29.99	$30 & Over
Sweaters									
	1987	100%	9.0	14.6	21.8	18.9	11.8	8.6	15.2
	1986	100%	12.1	16.3	23.2	18.6	11.7	6.8	11.0

	Year	Total	Less Than $10.00	$10- $19.99	$20- $29.99	$30 - $39.99	$40 & Over
Outer Jackets							
	1987	100%	12.7	31.5	21.7	13.4	20.7
	1986	100%	12.8	32.3	22.4	11.9	20.6

CONSUMER PURCHASING PATTERNS

KSA/NPD Purchase Panel (continued)

Although cotton is the primary fiber used in sport shirts, (increasing from 52.1% in 1986 to 56.4% in 1987), acrylic dominates in men's sweaters (decreasing slightly in 1987) and polyester is popular for men's outer jackets.

Purchases of Men's Sport Shirts By Fiber Content: 1986, 1987
(Percent of units)

	1987	1986
Total	100.0%	100.0%
Polyester dominant	38.7	42.6
Poly/cotton blend*	33.1	35.6
100% poly and other poly blends	5.6	7.0
Cotton dominant	56.4	52.1
100% cotton	34.8	28.7
Cotton/poly blends	21.2	22.6
Other cotton blends	0.4	0.8
Total acrylic	2.9	3.5
100% acrylic	2.4	3.0
Acrylic blends	0.5	0.5
Other fibers	2.0	1.8

* Includes 50/50.

Purchases of Men's Sweaters By Fiber Content: 1986, 1987
(Percent of units)

	1987	1986
Total	100.0%	100.0%
Polyester dominant	4.8	4.0
100% polyester	1.3	0.8
Poly blends	3.5	3.2
Cotton dominant	15.4	9.8
100% cotton	13.9	8.0
Cotton/poly blends	1.5	1.8
Wool dominant	19.8	27.8
100% wool	12.8	16.7
Wool blends	7.0	11.1
Acrylic dominant	53.6	54.7
100% acrylic	46.3	43.3
Acrylic blends	7.3	11.4
Other fibers	6.4	3.7

* Includes 50/50.

CONSUMER PURCHASING PATTERNS

KSA/NPD Purchase Panel (continued)

Purchases of Men's Outer Jackets By Fiber Content: 1986, 1987
(Percent of units)

	Percent Dozen Units	
	1987	1986
Total	100.0%	100.0%
Polyester dominant	35.2	34.8
100% polyester	8.0	7.6
Poly/cotton blend*	21.8	21.0
Other poly blends	5.4	6.3
Cotton dominant	28.5	27.8
100% cotton	20.5	18.7
Cotton/poly blends	6.8	8.5
Other cotton blends	1.2	0.7
Nylon dominant	21.1	18.4
100% nylon	19.2	17.7
Nylon blends	1.9	0.7
Leather/Suede dominant	6.5	7.0
Other fibers	8.7	12.0

* Includes 50/50.

Jeans

Department stores and discounters were favored for purchases of men's jeans, each garnering 21% of sales, in a survey by Leo Shapiro and Sons based on interviews with 415 men in a national sample of 900 households.

Sales of Men's Jeans
Percent By Outlet Type, 1986

Department stores	21%
Discounters	21%
Sears, Penney, Wards	18%
Men's Stores	16%
NA	13%
Other	11%

Source: Leo J. Shapiro & Sons
Discount Store News

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET; INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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WOMEN'S, MISSES' & JUNIORS' SPORTSWEAR/CASUAL WEAR

MARKET TRENDS

Domestic manufacturers' shipments of women's sportswear/casual wear increased only 1.8% in value in 1987 compared with 1986, while the value of imports (including children's classifications) rose 14.1%. Meanwhile, a downturn in consumer demand began mid-1987, and has continued into 1988 as consumers reacted unfavorably to styles and to higher price tags. Both domestic shipments and imports have drifted downward in the first half of 1988.

Although gains were anticipated in skirts, knit shirts and in active sportswear, unit sales of most women's sportswear/casual wear items are expected to decline in 1988, according to an analysis of consumer buying by Kurt Salmon Associates. Gains in skirts, knit shirts and active sportswear, however, will be less than those reported for 1987.

Due to time pressure and the search for convenience and value, women are making more purchases through catalogues and discount stores. According to MRCA (an independent research organization which tracks consumer spending), discounters, off-price outlets, and specialty stores each increased their dollar sales of apparel by about 8% during the first quarter of 1988 over the same period in 1987, while department store sales were flat. Mail order has been showing increased strength in the distribution channel, rising from 3.2% of women's apparel sales in 1985 to 4.2% in 1987, according to KSA/NPD.

The market strategy put together by the Limited, the Gap, Charming Shoppes and many others in the early 1980's, has run its course as copy cat stores have proliferated. Specialty retailers are also losing some of their advantage of manufacturing cheaply abroad and selling at hefty markups.

Retail import programs are increasingly plagued by higher costs of raw material and labor, mounting U.S. quota restrictions, lack of flexibility on deliveries and the need to place orders far in advance of the season.

The Caribbean's low labor rates and proximity to the U.S. market seem more attractive now, as do U.S. sponsored programs. Item 807, and a new arrangement, the super 807, have provided a shot in the arm to Caribbean production. This is one location in which U.S. manufacturers still have an edge over retail customers. According to industry observers, in 10 to 15 years, the Caribbean could be as important in women's sportswear as the Orient is today.

Because imported apparel comprises a large percent of women's sportswear (from 27% to 78% depending on the classification), women are paying much more for apparel. Consumer prices for women's apparel were up 6.1% in May 1988 from the same period in 1987, while the consumer price index for all items increased 3.9%. Imports for consumption of women's, girls' and infants' sportwear items grew 14.5% in 1987, the Census Bureau reports. As the cost of clothing continues to rise, women are buying fewer items. According to MRCA, 1987 was the first year of this decade that growth in women's clothing lagged behind all other groups, increasing only 3.5% to $54.2 billion. Women still spend twice as much as men do on clothes, with per capital expenditures amounting to $569 for every adult women in America, up 35% from 1980.

On the domestic front, sweaters have been one of the brighter areas within the women's sportswear industry. In 1987, 13% of all women's clothing dollars were spent for sweaters, the single biggest item in women's clothing. The category is a $7 billion business and showed growth of almost 8% in 1987.

AT THE MANUFACTURER LEVEL

GENERAL INDUSTRY STATISTICS

A measure of trends in the women's, misses' & juniors' blouse segment of sportswear/casual wear is developed in the annual report, U.S. Industrial Outlook, compiled by the International Trade Administration. As noted below, shipment information is reported on both a current and a constant dollar basis, (eliminating the effect of inflation).

Women's, Misses' & Juniors' Blouse Industry Trends 1972-1987

	Compound Annual Change	
	1972-85	1980-85
Value of U.S. industry shipments (current $)	+ 8.5	+ 6.0
Value of industry shipments (1982 $)	+ 3.2	+ 0.5
Total employment	+ 2.1	- 0.5
Production workers	+ 1.9	- 0.7
Average hourly earnings	+ 5.2	+ 1.4

Source: U.S. Department of Commerce,
International Trade Administration:
1988 U.S. Industrial Outlook

A complete census of all manufacturers in the U.S. which have one or more paid employee is compiled every five years by the U.S. Bureau of the Census. Compilation of data for 1987 is now underway, but it will be several years before reports are released. The Census Bureau conducts annual surveys using a sample of manufacturers in order to develop estimates on key measurements of manufacturing activity in intercensal periods. Results from the recently issued 1986 Annual Survey of Manufactures show a rise of 1.4% compared with 1985 in the value of products and services sold by plants classified in the women's, misses' & juniors' blouse industry.

Sportswear/casual wear is not a clearly defined classification, but is included in a number of industries under the Standard Industrial Classification system. In some cases, such as Knit Outerwear Mills, industry data covers manufacturers of apparel for men and women, as well as children.

GENERAL INDUSTRY STATISTICS

Value added by manufacture is the best measure available for comparing the relative economic importance of manufacturing among industries (as well as geographic areas). In 1986, the value added in the blouse industry increased 4.6% over 1985, and capital expenditures rose 3.6%. Value added in the outerwear industry rose 6.6%. In knit outerwear mills valued added by manufacturer increased only slightly while industry shipments dropped 4.4%. Capital expenditures also decreased 1%. Investments in new machinery rose 6.8%, the most of all three industries as knit outerwear mills modernized equipment.

Women's, Misses' & Juniors' Blouse Industry (SIC 2331*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	1,825	- -
Number of establishments, total**	na	1380	1,955	- -
With 20 or more employees	na	800	1,111	- -
Employees, total (thous.)	78.2	82.1	92.3	- 4.8
Production workers (thous.)	66.2	70.0	79.4	- 5.4
Payroll (mil. $)	$ 835.6	$ 845.6	$ 876.1	- 1.2
Value added by manufacture (mil. $)#	1,808.0	1,729.0	1,843.6	+ 4.6
Value of industry shipments (mil. $)##	3,694.4	3,642.9	3,896.2	+ 1.4
Capital expenditures, new (mil. $)	35.0	33.8	29.4	+ 3.6
New machinery	25.9	25.3	21.7	+ 2.4

Women's, Misses' & Juniors' Outerwear, n.e.c. (SIC 2339*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	1,595	- -
Number of establishments, total**	na	1,454	1,746	- -
With 20 or more employees	na	880	1,039	- -
Employees, total (thous.)	92.3	98.7	110.9	- 6.5
Production workers (thous.)	77.7	84.0	93.5	- 7.5
Payroll (mil. $)	$1,081.8	$1,106.0	$1,099.0	- 2.2
Value added by manufacture (mil. $)#	2,503.9	2,348.9	2,261.2	+ 6.6
Value of industry shipments (mil. $)##	4,911.2	4,816.2	4,833.9	+ 2.0
Capital expenditures, new (mil. $)	49.3	47.3	85.4	+ 4.2
New machinery	38.9	35.0	66.4	+ 11.1

Knit Outerwear Mills (SIC 2253*)

	1986	1985	1982	% Change 1986/1985
Number of companies	na	na	893	- -
Number of establishments, total**	na	843	923	- -
With 20 or more employees	na	472	482	- -
Employees, total (thous.)	60.4	62.5	66.8	- 3.7
Production workers (thous.)	51.4	52.9	55.9	- 2.8
Payroll (mil. $)	$ 824.9	$ 830.9	$ 741.4	- 0.6
Value added by manufacture (mil. $)#	1,695.3	1,675.4	1,704.8	+ 1.2
Value of industry shipments (mil. $)##	3,447.2	3,604.3	3,182.4	- 4.4
Capital expenditures, new (mil. $)	85.6	86.5	53.5	- 1.0
New machinery	70.4	65.9	44.1	+ 6.8

na not available
n.e.c. not elsewhere classified

(footnotes continued)

GENERAL INDUSTRY STATISTICS

* Manufacturing establishments (plants) are classified by industry under the Standard Industrial Classification (SIC) system determined by the principal product made, as defined below:

SIC 2331 comprises plants primarily engaged in the manufacturing of women's, misses' and juniors' blouses, waists and shirts.

SIC 2339 includes manufacturing establishments primarily engaged in the manufacture of women's, misses' and juniors' outerwear, not elsewhere classified, such as neckwear, swimwear, slacks, ski suits, sweaters, and outerwear sport shirts, cut and sewn from purchased woven or knit fabric; also washable service apparel.

SIC 2253 includes establishments making knit outerwear for men and boys, as well as women and children. Separate industry figures are not available, as most mills produce for men, women and children.

NOTE: Industry data on plants manufacturing women's skirts, pants, pantsuits and jackets is combined in SIC 2337 with data on manufacturers of women's coats and suits. SIC 2337 is covered in the Women's Coats, Suits, Tailored Career Wear, Rainwear and Furs Fact File.

** Covers manufacturing establishments only, and each location is separately counted. Not included are separate auxilary locations serving the plants (i.e. administrative offices, purchasing offices, sales promotion offices, etc.). Data on number of establishments in 1985 are from the Census Bureau's County Business Patterns.

Value added by manufacture is derived by subtracting the cost of products bought for resale without further manufacture, the cost of piece goods and other materials, contract work, etc., from the value of shipments, with adjustments for finished products inventories. It avoids duplication in value of shipments which results from the use of products of some manufacturing establishments as materials by others, and is for most purposes the best value measure of individual industries.

Value of industry shipments includes, along with receipts for contract work, all items made for or by each establishment from materials owned by it, and also miscellaneous receipts. It includes both primary and secondary products made by manufacturers in these industries. The value of primary product shipments, alone, plus the value of these shipments of such products by manufacturers classified in other industries, is covered in the section on PRODUCT SHIPMENTS.

Source: U.S. Bureau of the Census, 1986, 1985 Annual Survey of Manufactures; 1982 Census of Manufactures

Employment & Earnings

Labor costs are high in the U.S. compared with major apparel shippers abroad. In reaction to the sharp growth in apparel imports, U.S. manufacturers have consolidated operations in the U.S., streamlined and improved their production and marketing procedures in order to cut costs. In addition, deliveries have been sped up to get a competitive edge over imports.

Employment & Earnings (continued)

U.S. firms are also making use of "sourcing"--that is, engaging foreign and domestic suppliers outside the firm to furnish some or all components at various stages of the manufacturing process.

Some manufacturers are taking advantage of the "807" law, by which a U.S. apparel firm is allowed to cut fabric for the various parts of a garment, ship the parts for assembly to a foreign country where labor costs are lower, then import the finished garment, paying duty only on the value added to the cut pieces. In addition, some large U.S. apparel firms have wholly-owned or jointly-owned overseas plants.

These developments have led to a sharp cutback in employment in some segments of the U.S. apparel industry. From an average of 64,000 in 1979, employment in the women's blouse industry has declined steadily, reaching an average of 49,700 in 1987. In the women's outerwear, n.e.c. industry, however, employment rose slightly in the 1987 (+1.8%), to reach a new high of 179,200. This high may be exceeded in 1988 although the May total (preliminary) of 183,000 was below that of May 1987. (BLS figures on average annual employment differ somewhat from Census Bureau computations due to a difference in methodology.)

Employment & Earnings in Selected Women's Sportswear & Separates Industries

	May Average			Annual Average			
	1988(p)	1987	% Change 1988/87	1987	1986	1985	% Change 1987/86
Women's, misses' & juniors' blouses (SIC 2331*):							
All employees (thous.)	44.6	46.8	- 4.7%	49.7	50.1	52.7	- 0.8%
Production workers (thous.)	36.9	38.8	- 4.9	41.3	41.7	44.1	- 1.0
Average weekly earnings	$182.94	$177.21	+ 3.2	$179.28	$179.68	$178.52	- 0.2
Average hourly earnings	5.11	5.02	+ 1.8	5.05	5.09	5.13	- 0.8
Average weekly hours	35.8	35.3	+ 1.4	35.5	35.3	34.8	+ 0.6
Women's, misses' & juniors' outerwear, n.e.c. (SIC 2339*):							
All employees (thous.)	183.0	184.1	- 0.6	179.2	176.1	171.4	+ 1.8
Production workers (thous.)	154.4	153.8	+ 0.4	150.1	146.9	142.5	+ 2.2
Average weekly earnings	$204.56	$196.56	+ 4.0	$201.24	$193.12	$191.17	+ 4.2
Average hourly earnings	5.73	5.46	+ 5.0	5.59	5.44	5.34	+ 2.8
Average weekly hours	35.7	36.0	- 0.8	36.0	35.5	35.8	+ 1.4
Knit outwear mills (SIC 2253*):							
All employees (thous.)	70.0	71.8	- 2.5	72.2	69.7	63.6	+ 3.6
Production workers (thous.)	62.4	63.9	- 2.4	64.2	61.1	55.7	+ 5.1
Average weekly earnings	$248.14	$255.96	- 3.1	$255.17	$243.84	$228.46	+ 4.6
Average hourly earnings	6.33	6.48	- 2.3	6.46	6.35	6.06	+ 1.7
Average weekly hours	39.2	39.5	- 0.8	39.5	38.4	37.7	+ 2.9

See page 4 for definition of SIC codes.
n.e.c. not elsewhere classified.
(p) preliminary

Source: U.S. Bureau of Labor Statistics: Employment & Earnings

GENERAL INDUSTRY STATISTICS

Plant Capacity Utilization

For the fourth quarter of 1986, knit outerwear mills in the U.S. rose to a high of 95% of the industry's preferred rate; compared with an operating rate of 76% of the preferred level in the fourth quarter of 1983. (The preferred level is defined as a level normally between actual operations and practical capacity, at which profits are maximized). On the other hand, operating ratios in women's outerwear plants dropped from 91% of the preferred level to 68% in 1986. The following figures represent the ratio of actual utilization to the preferred level of operations.

Capacity Utilization Rates: Fourth Quarters 1983-1986

	1986	1985	1984	1983
Women's, misses' & juniors' blouses	nr	nr	nr	93
Women's, misses' & juniors' outerwear, n.e.c.	68	88	nr	91
Knit outerwear mills	95	93	73	76

nr not reported
n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Survey of Plant Capacity

Concentration in the Industry

According to Sales and Marketing Management's latest estimates, a total of 1,101 plants manufacturing women's and misses' blouses had receipts of $4,680.5 million in 1987. Large plants with 100 or more employees represented only 19.3% of total plants, but accounted for 67% of industry shipments--reflecting the increased consolidation that has taken place in the last few years.

Large Plants (Employers) and Their Share of
Women's & Misses' Apparel Industry Shipments: 1987

		Number of Plants			Est. Shipments	
SIC	Industry	Total	With 100+ Employees	% of Total	Total	% By Large Plants*
2331	Women/Misses Blouses	1,101	213	19.3%	$4,680.5	67%
2339	Women/Misses Outerwear	1,631	285	17.5	1,888.9	72
2253	Knit outerwear mills	690	170	24.6	3,189.5	79

* Plants with 100+ employees.

Source: Sales & Marketing Management
"Survey of Industrial Buying Power"
April 1988. All rights reserved.

GENERAL INDUSTRY STATISTICS

Concentration in the Industry (continued)

As part of the complete census of manufactures covering operations in 1982, the U.S. Census Bureau has compiled data on industry concentration levels. Competitive pressure, mergers and acquisitions have resulted in fewer companies and greater concentration of industry activity since 1982.

Share of Value of Industry Shipments Accounted For By the Largest Companies

Industry	No. of Companies	Total (mil. $)	Value of Industry Shipments* % accounted for by largest companies: 4 largest	8 largest	20 largest	50 largest
Women's & misses' blouses:	1,824	$3,884.2	8%	14%	27%	44%
Women's & misses' outerwear:	1,592	4,830.4	23	22	34	49
Knit outerwear mills:	896	3,182.4	19	29	45	64

n.e.c. not elsewhere classified
*For an explanation of terms see page 4.

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

While the value of industry shipments is concentrated among large plants, many small apparel factories are making specialized products to fill market niches. The Census Bureau's County Business Patterns covers information on the number of plants by employment size in specific industries. Plants with 10-49 employees were dominant, representing 41.7% of all establishments making women's blouses, 37.9% of all women's outerwear, 39% of all knit outerwear mills.

Number of Women's Sportswear & Casual Wear Manufacturing Establishments By Employment Size, 1985

	Women's, Misses' & Juniors': Blouses (SIC 2331)		Outerwear n.e.c. (SIC 2339)		Knit Outwear Mills (SIC 2253)	
	Number	%	Number	%	Number	%
Total establishments	1,380	100.0%	1,454	100.0%	843	100.0%
Under 10 employees	353	25.6	371	25.5	238	28.2
10-49 employees	575	41.7	551	37.9	329	39.0
50-99 employees	257	18.6	247	17.0	139	16.5
100-499 employees	193	14.0	257	17.7	116	13.8
500 or more employees	2	0.1	28	1.9	21	2.5

n.e.c. not elsewhere classified.

Source: U.S. Bureau of the Census:
County Business Patterns, 1985

LEADING MANUFACTURERS

Sluggish sales at retail are saddling stores and manufacturers with excess inventory, and stores are cutting back on orders for women's sportswear. The recent consolidation among department stores has caused manufacturers to lose some accounts altogether. Makers of designer label goods are also in direct competition with the recent emphasis in private brands. Manufacturers have been confronting more hurdles in producing and importing goods from outside the U.S. Oxford Industries and Bernard Chaus Inc., for example, have had huge shipments of their goods from China embargoed due to import control limitations and quotas.

The tough retailing market is hastening the demise of many smaller apparel makers. Retailers are favoring vendors who can fill big orders and offer petite and large sizes, sportswear, and dresses, as well as assistance in merchandising the goods in the store.

As soon as stores identify a strong seller, they may copy it for their own private label. To salvage their business, sportswear manufacturers and designers are opening retail stores to establish exclusive outlets for their merchandise, cutting their wholesale prices, or becoming contractors for retailer's private-label programs. Some manufacturers are trying to promote sales and make their apparel more exclusive by distributing their brand to fewer stores, reports the Wall Street Journal. With the clothes available in fewer outlets, retailers will be under less pressure to mark down prices.

Jeans

Jeans comprise the largest single segment of the sportswear/casual wear market with annual unit sales running to about 500 million pairs. Close to $7 billion is spent on jeans per year according to the American Textile Institute (ATI).

The jeanswear market is dominated by VF Corporation, (makers of Lee and Blue Bell) and by Levi Strauss. It is estimated that VF and Levi control approximately equal shares of half the market.

VF's jeans divisions currently account for about 60% of the company's sales and 83% of net income. Weaker competitors will be a target of the firm as it moves to gain further market share, according to ATI. In just three years Lee increased its market share from 2 to 13%. Lee suffered a reversal in 1986 but achieved renewed sales and earnings in 1987. VF acquired Blue Bell in late 1986, and more brand name diversification with Wrangler, Rustler, and Girbaud. The manufacturer now offers four national brands instead of one and reaches nearly all segments of the market.

However, the jeans business has been faced with sagging sales. Unit sales of women's jeans in the first five months of 1988 fell 10% from the same 1987 period, according to MRCA.

Lee and Levi's are competing fiercely to win more female customers. Levi Strauss & Co., whose 501 Blues jeans are aimed primarily at men, will devote $20 million to its first major ad campaign (since 1984) tailored specifically for women. VF's Lee brand, which has the largest share of the women's jeans business has also been backed by a $20 million campaign to strengthen and expand the brand.

LEADING MANUFACTURERS

Jeans (continued)

According to the Wall Street Journal, Lee claims about 15% of the fragmented women's jeans market, Gitano, a brand sold mainly at discount stores, about 10%; and Levi's, about 7.5%. When men and children are included, however, Levi's is clearly the dominant brand with overall market share of 22%, compared with Lee's 13% share. Women buy an average of only 1.08 pairs of jeans a year, while men purchase nearly two pairs, acccording to MRCA Information Services.

Jean's Brands Market Share
(Purchases by Men, Women & Children)

Manufacturer	Brand	% Share
Levi Strauss & Co.	Levi's	22%
	Brittania	Less than 1%
VF Corp.	Lee	13%
	Rustler	8%
	Wrangler	7.5%
	Girbaud	Less than 1%

Source: Lee Apparel Co., based on MRCA Information Services
The Wall Street Journal

Other manufacturers include Interco's divisions--Big Yank ($100 million in volume) and Cowden ($50 million), which are currently up for sale.

L.A. Gear, the fashion athletic shoe and sportswear manufacturer, is jumping into the women's jeans market for the holiday selling season. The line, geared to department and specialty stores, will be produced abroad.

Activewear

The trade publication, SportStyle, compiles an annual list of the top companies in the activewear industry. Following are the top five manufacturers in specified activewear categories with sales figures for the year 1987. Sources are market estimates or statements by corporate officers. All figures include sales of men's and children's as well as women's products.

Activewear (continued)

Leading U.S. Manufacturers of Specified Activewear, 1987
(Including both men's and women's wear)
(Sales in mil. of dol.)

	Sales in Category
Fleece: Top 5, total	$1,286.0
Tultex	348.0
Bassett Walker	296.0
Russell	260.0
Pannill	259.0
Champion	123.0
Beachwear: Top 5, total	$ 487.8
Ocean Pacific (OP)	310.0
Gotcha	65.0
Hobie Sportswear	62.0
Quicksilver	31.8
Jimmy'z	19.0
Athletic Footwear Mfrs. Apparel: Top 5, total	$ 372.0
Adidas	139.8
Nike	130.0
Reebok	47.0
Puma	37.8
Troop	18.0
Rugged Outerwear: Top 5, total	$ 290.3
Woolrich	144.0
Pacific Trail	82.0
Patagonia	40.0
Helly-Hansen	14.3
Columbia	10.0

	Sales in Category
Golf Apparel: Top 5, total	$ 116.7
Pickering	30.0
Izod	29.0
Aureus	28.7
La Mode du Golfe	16.0
Quantum	13.0
Hunting/Fishing Apparel: Top 5, total	$ 85.5
Woolrich	31.0
Walls	22.5
Columbia	14.0
Saf-T-Bak	13.0
Red Head	5.0
Tennis Apparel: Top 5, total	$ 63.4
Head sportswear	16.5
Fila	14.4
Ellesse	12.5
Sergio Tacchini	10.0
Tail	10.0
Competitive Swimwear: Top 5, total	$ 76.0
Speedo	57.5
Arena	10.0
Hind	3.9
TYR	2.5
Dolfin	2.1

(continued)

LEADING MANUFACTURERS

Activewear (continued)

Leading U.S. Manufacturers of Specified Activewear/Sportswear, 1987
(Including Men's, Women's, Children's
(Sales in mil. of dol.)
(continued)

	Sales in Category		Sales in Category
Active Sportswear:		Performancewear:	
Top 5, total	$ 220.0	Top 5, total	$ 37.9
Jantzen	72.0	Hind	12.5
Catalina	65.0	Dolfin	6.5
Izod/Lacoste	50.0	Sub 4	6.4
Le Coq Sportif	18.0	New Balance	6.5
Jockey	15.0	Perfection	6.0
Ski Apparel:		Cyclewear	
Top 5, total	$ 125.3	Top 5, total	$ 15.7
CB Sports	31.0	Hind	5.2
Sport Obermeyer	28.0	Bellwether	4.0
Roffe	24.0	Decente	3.5
Head Sportswear	23.5	Pearl Izumi	1.5
White Stag	18.8	Nike	1.5

Source: SportStyle,
June 13, 1988

PRODUCTION

U.S. production of women's sportswear/casual wear, in general, has continued to decline, even though the official U.S. Department of Commerce definition includes garments cut here but sewn abroad--output of which has grown rapidly in recent years under the 807 program .

The domestic knitwear market still shows a high level of imports in relation to domestic consumption. However, many manufacturers have updated equipment in order to compete with imports, and rising prices at retail are making U.S. products more competitive. Manufacturers are in "Quick Response" programs backing up their products with faster deliveries and better customer service. Domestic competitiveness also involves the ability to generate short runs to fill smaller orders and achieve faster turnaround.

PRODUCTION

Information on domestic production as well as value of shipments are reported in the Current Industrial Reports issued by the Census Bureau, which are developed through mail surveys among all known U.S. manufacturers and jobbers, except very small firms (usually with fewer than five employees). Apparel items assembled overseas, but cut in the U.S., which are then sent back to the U.S. producers under the terms of the 807 Tariff regulation are included in the CIR reports, but not apparel items that are produced entirely abroad.

In the first quarter of 1988, production of women's apparel continued to decline, according to the CIR.

Production of Specified Women's & Girls' Sportswear
First Quarter 1988 Compared with 1987

	Unit of Measure	1st Qtr. 1988	1st Qtr. 1987	% Change 1987/88
Blouses, shirts (woven)	1,000 dozens	4,461	5,183	-13.9%
Knit T-shirts, tank tops	" "	1,615	2,301	-29.8
All other knit shirts, incl. sweatshirts	" "	3,218	3,088	+ 4.2
Separate suit-type jackets	1,000 units	5,216	4,889	+ 6.7
Skirts and divided skirts	" "	26,942	29,704	- 9.3
Slacks, jeans, sweatpants, etc.	" "	64,710	70,200	- 7.8
Shorts	1,000 dozens	1,927	3,595	-46.4
Sweaters	" "	1,260	1,734	-27.3
Warmup and jogging suits	" "	291	329	-11.6
Swimwear	" "	1,435	1,148	+25.0

Source: U.S. Department of Commerce;
Bureau of the Census: Current Industrial Reports, Selected Apparel MQ-23A

PRODUCTION

Summary of Production of Women's, Misses' & Juniors' Sportswear/Casual Wear: 1980, 1986, 1987
(Thous. of Dozens, unless otherwise specified)

	1987	1986(r)	1980	% Change 1987/86
Skirts*	104,731*	98,877*	69,261*	+ 5.9
Slacks, excl. dungarees & jeans*	127,998*	133,404*	155,755*	- 4.1
Jeans & dungarees*	87,445*	92,665*	68,522*	- 5.6
Blouses & shirts	27,851	29,320	35,538	- 5.0
Woven	19,722	21,458	15,831	- 8.1
Knit	8,129	7,862	19,707	+ 3.4
Sweaters	5,318	6,320	4,654	- 15.8
Activewear				
Sweat shirts	3,158	1,929	na	+ 63.7
Sweat pants	1,829	1,134	na	+ 61.3
Warm-up or jogging suits	1,261	837	443	+ 50.7
Swimsuits	2,996	3,051	2,026	- 1.8
Ski jackets, incl. ski vests	17	19	181	- 10.5
Ski pants	9	7		+ 28.6
Team sport uniforms	nr	244	na	--
Separate tailored suit type jackets*	16,502*	20,752*	21,451*	- 20.5
Nontailored outer jackets, excluding ski*	4,900*	4,903*	2,360*	- 0.1
Vests, excl. sweater vests*	696*	593*	1,881*	+ 17.4
Shorts, including jogging & tennis	2,507	2,081	1,942	+ 20.5
Playsuits, beach tops, halters and other playgarments	548	546	399	+ 0.4
Body suits & body shirts	73	240	na	- 69.6

(r) revised
* thousands of units
na not available

Source: U.S. Bureau of the Census: Current Industrial Reports, Apparel MA-23A1A (Aug. 1988)

Construction/Fabric Type

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987 By Construction/Fabric

	Production (Thous. of Units)	
	1987	1986
Skirts	100.0%	100.0%
All cotton and chiefly cotton	33.9	28.3
Manmade/wool blends, chiefly manmade	9.7	10.7
All manmade and chiefly manmade, except manmade/wool blends	38.2	38.9
All wool and chiefly wool	nr	8.8
All other fabric	1.0	3.2
Fabric n.s.k	nr	10.2

(continued)

PRODUCTION

Construction/Fabric Type (continued)

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987
By Construction/Fabric
(continued)

	Production (Thous. of Units)	
	1987	1986
Pants		
Slacks, except dungarees and jeans	100.0%	100.0%
All cotton and chiefly cotton	33.6	29.5
Manmade/wool blends, chiefly manmade	12.8	13.5
All manmade and chiefly manmade, except manmade/wool blends	41.0	39.9
All wool and chiefly wool	3.1	2.7
All other fabric	1.3	0.8
Fabric, n.s.k	8.0	13.6
Jeans and dungarees	100.0%	100.0%
All cotton and chiefly cotton	81.6	84.1
All manmade and chiefly manmade	17.1	14.1
Fabric n.s.k.	1.3	1.8
Woven blouses and shirts	100.0%	100.0%
All cotton and chiefly cotton	37.1	31.4
All manmade and chiefly manmade	49.9	53.7
All silk and chiefly silk	0.3	0.4
All wool and chiefly wool	0.2	0.1
All other fabric	8.6	10.4
Fabric n.s.k.	3.8	3.8
Knit shirts & blouses:		
Knit T-shirts and tank tops made for outerwear (incl. long sleeve shirts)	100.0%	100.0%
All cotton and chiefly cotton	44.5	38.0
All manmade and chiefly manmade	31.1	31.1
Fabric n.s.k	24.4	30.9
All other knit shirts	100.0%	100.0%
All cotton and chiefly cotton	32.1	24.4
All manmade and chiefly manmade	48.8	44.5
All wool & chiefly wool	nr	nr
All other fabric, n.s.k.	nr	nr
Fabric n.s.k.	16.9	28.9
Sweaters	100.0%	100.0%
All cotton and chiefly cotton	44.3	39.4
All manmade and chiefly manmade	43.0	50.5
All wool and chiefly wool	4.3	3.0
All other fabrics	8.3	7.1
Active Sportswear:		
Sweat shirts	100.0%	100.0%
All manmade and chiefly manmade	95.6	96.6
Fabric, n.s.k.	nr	nr
Sweat pants	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade and chiefly manmade	nr	nr

(continued)

Construction/Fabric Type (continued)

Production of Specified Types of Sportswear/Casual Wear: 1986, 1987 By Construction/Fabric (continued)

	Production (Thous. of Units) 1987	Production (Thous. of Units) 1986
Warm-up or jogging suits	100.0%	100.0%
All cotton and chiefly cotton	42.0	15.1
All manmade and chiefly manmade	56.2	78.9
Fabric n.s.k.	1.8	6.1
Swimsuits	100.0%	100.0%
All cotton and chiefly cotton	5.4	5.5
All manmade and chiefly manmade	92.3	91.4
Fabric,n.s.k.	2.3	3.1
Ski jackets, including ski vests	nr	nr
Ski pants	nr	nr
Team sports uniforms	nr	nr
Separate tailored suit-type jackets	100.0	100.0%
All cotton and chiefly cotton	12.2	12.6
Manmade/wool blends, chiefly manmade	20.9	13.7
All manmade and chiefly manmade, except made/wool blends	32.6	33.2
All wool and chiefly wool	10.6	13.8
All other fabrics	1.1	1.6
Fabric, n.s.k.	22.6	25.1
Nontailored outer jackets, excluding ski	100.0%	100.0%
All cotton and chiefly cotton	25.4	21.2
All manmade and chiefly manmade	50.7	51.8
All wool & chiefly wool	nr	nr
All other fabric	nr	nr
Fabric, n.s.k.	13.9	22.6
Vests, excluding sweater and coat vests	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade and chiefly manmade	28.3	38.6
All wool and chiefly wool	nr	nr
Fabric, n.s.k.	63.5	46.2
Shorts, including jogging and tennis	100.0%	100.0%
All cotton and chiefly cotton	68.0	61.4
All manmade and chiefly manmade	17.2	22.3
All other fabric	nr	nr
Playsuits, beach tops, halters, and other playwear	100.0%	100.0%
All cotton and chiefly cotton	78.1	66.1
All manmade & chiefly manmade	18.1	20.0
Fabric, n.s.k.	3.8	13.9
Bodysuits & body shirts	100.0%	100.0%
All cotton and chiefly cotton	nr	nr
All manmade & chiefly manmade	86.3	92.5
Fabric, n.s.k.	nr	nr

nr not reported
n.s.k. not specified by kind

Source: U.S. Bureau of the Census:
Current Industrial Reports, Apparel MA23A1A

PRODUCTION

Construction/Fabric Type (continued)

Despite price increases, consumer preference for natural fibers has fueled the use of cotton in apparel. While the total market on a fabric weight basis for all women's apparel declined 0.8% in 1987, cotton increased a record 10.4% and cotton's share of fiber consumption in women's apparel rose from 35% to 39%. For the first 4 months of 1988, cotton's share of fibers in all women's apparel increased to 40% from 37% in the first quarter, 1987.

Cotton's Percent of Fabric Weight
In Women's Sportswear

	1987	1986
Jeans	91%	92%
Shorts	63	55
Shirts	56	53
Skirts	42	32
Slacks	42	35
Outer Jackets	38	35
Blouses	38	35
Sweaters	27	25

Source: Cotton Inc.

PRODUCT SHIPMENTS

In contrast with the value of "Industry Shipments" which have been covered in the section on GENERAL INDUSTRY STATISTICS, and defined on page 4, Product Shipments covers the value of specific products made by all manufacturers with payroll, including those classified within the industry (primary producers) and those classified in other, unrelated industries (secondary producers), based on their primary products.

The Department of Commerce has analysed the value of product shipments in terms of current dollars and in constant (1982) dollars to eliminate the effects of inflation, (which accounted for a major share of gains since 1972).

Trends in the Value of Shipments of
Women's, Misses' & Juniors' Blouses

	Compound Annual % Change	
	1972 - 1985	1980 - 1985
Shipments:		
Current $	+ 9.2%	+ 3.8%
1982 $	+ 3.8	- 2.5

Source: U.S. Department of Commerce:
U.S. Industrial Outlook 1988

Information on product shipments is collected in detail in the complete census of manufactures compiled by the U.S. Department of Commerce, Bureau of the Census, every five years, the latest reports covering operations in 1982. In intercensal years, the Census Bureau compiles information on product shipments in summary form in annual surveys based on a representative sample of manufacturers with payroll.

In the 1986 annual survey, the value of domestic shipments of women's, misses' & juniors' blouses increased 5.9% in current dollars over the 1985 total. This increase was attributed to an 8% gain in the value of exports, and it reversed the downward trend in shipment value noted since 1983.

PRODUCT SHIPMENTS

A more detailed list of apparel items is released in Current Industrial Reports, issued annually by the Census Bureau and developed through surveys among all known U.S. manufacturers and jobbers, except very small firms. Apparel items assembled in the Caribbean Basin and Mexico, but cut in the U.S., which are then sent back to the U.S. producers under the terms of the 807 Tariff regulation, are included in the CIR reports but not apparel items that are produced entirely abroad.

Shipments of reported items of women's sportswear/casual wear rose only 1.8% in 1987 compared with 1986. Women's, misses' and juniors' woven blouses and shirts, declined 6.9% in 1987, but knit blouses and shirts (excluding sweatshirts) increased 11.1% in shipment value.

Value of Shipments of Reported Women's, Misses' & Juniors' Sportswear/Casual Wear 1986, 1987

(Mil. of Dol.)

	1987	1986(r)	1980	% Change 1987/86
Sportswear/casual wear, total	$9,078.2	$8,921.0	$6,586.2	+ 1.8%
Tops:	3,332.6	3,450.2	2,903.7	- 3.4
Blouses & shirts, woven	2,001.1	2,149.3	2,537.0	- 6.9
Blouses & shirts, knit, exc. sweat shirts	739.1	665.0		+ 11.1
Knit T-shirts & tank tops	205.6	109.0		+ 88.6
All other knit shirts, exc. sweat shirts	533.5	556.0		- 4.0
Sweaters	592.5	635.9	366.7	- 6.8
Jackets & vests:	664.2	742.1	553.9	- 10.5
Separate tailored suit-type jackets	541.0	618.2	473.6	- 12.5
Nontailored outer jackets, except ski	112.8	111.6	58.3	+ 1.1
Vests, exc. sweater vests	10.4	12.3	22.0	- 15.5
Bottoms:	3,930.9	3,727.7	2,652.1	+ 5.5
Skirts	1,410.0	1,277.9	747.6	+ 10.3
Slacks, exc. jeans & dungarees	1,462.5	1,358.0	1,312.7	+ 7.7
Jeans & dungarees	1,058.4	1,091.8	591.8	- 3.1
Active sportswear:	895.2	788.0	349.3	+ 13.6
Sweat shirts	174.5	118.6	na	+ 47.1
Sweat pants	96.2	69.2	na	+ 39.0
Warm-up or jogging suits	120.5	79.8	42.5	+ 51.5
Swimsuits	471.3	444.2	244.6	+ 6.1
Ski jackets, incl. vests	17.5	19.3	62.2	- 9.3
Ski pants	7.7	5.5		+ 40.0
Team sports uniforms	na	15.2	na	na
Body suits and body shirts	7.1	36.2	na	- 80.4
Playgarments:	255.3	213.0	127.2	+ 19.9
Shorts, incl. jogging and tennis	207.2	174.9	101.4	+ 18.5
Playsuits, beach tops, halters & other playwear	48.1	38.1	25.8	+ 26.3

(r) revised

Source: U.S. Bureau of the Census:
Current Industrial Reports,
Apparel MA23A1A

PRODUCT SHIPMENTS

The share of specific product shipments accounted for by the largest companies is compiled in the complete census of manufactures. Data for 1987 will not be available until 1990. Because of fashion's influence in tops, smaller manufacturers of blouses, shirts, etc., held a bigger share of U.S. industry shipments than noted in other apparel categories, according to the 1982 census.

Share of Specified Women's, Misses' & Juniors' Sportswear/Casual Wear Shipments By the Largest U.S. Manufacturers, 1982

	Product Shipments (Mil. $)	% of Value Accounted for by Largest Companies			
		Top 4	Top 8	Top 20	Top 50
Knit sport shirts*	$ 678.1	19%	32%	51%	72%
Blouses, shirts	2,533.9	12	18	31	51
Pants, incl. jeans	2,591.2	26	37	53	71
Skirts, jackets	2,351.2	23	32	48	65
Swim suits	387.1	33	52	84	99

* Made in cut-and-sew shops using knitted fabrics. (Other knit shirts are made in knitting mills, and comparable data is not available.)

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Concentration Ratios in Manufacturing MC82-S-7

Leading States

The 1982 census is the latest source of information on the value of shipments by manufacturers in each state.

Value of Shipments By All Producers of Specified Women's Sportswear/Casual Wear in Leading States: 1982
(Mil. of Dol.)

	1982	
	Value	%
Women's, misses' & juniors'		
Knit sport shirts, U.S. total	678.1	100.0%
New York	221.0	32.6
California	106.9	15.8
Florida	52.3	7.7
Pennsylvania	41.8	6.2
New Jersey	41.4	6.1
Blouses & shirts, U.S. total	2,533.9	100.0%
New York	812.4	32.1
California	725.4	28.6
Pennsylvania	187.3	7.4
North Carolina	140.9	5.6
New Jersey	118.5	4.7
Contract work on blouses & shirts, U.S. total	713.4	100.0%
Pennsylvania	177.0	7.0
California	86.5	3.4
New York	64.2	2.5
South Carolina	60.2	2.4
North Carolina	43.4	1.7

(continued)

PRODUCTION SHIPMENTS

Leading States (continued)

Value of Shipments By All Producers of Specified Women's Sportswear/Casual Wear in Leading States: 1982

(Mil. of Dol.)
(continued)

	1982	
	Value	%
Swimsuits, U.S. total	$ 387.1	100.0%
California	188.7	48.7
New York	97.5	25.2
Pants, U.S. total	2,591.2	100.0
New York	810.3	31.3
California	346.4	13.4
Texas	207.7	8.0
Georgia	190.0	7.3
North Carolina	129.0	5.0
Outerwear, n.e.c., U.S. total	643.7	100.0
New York	180.9	28.1
California	126.9	19.7
New Jersey	32.5	5.0
Texas	27.2	4.2
Florida	25.1	3.9
Contract work on outerwear, U.S. total	$ 780.9	100.0
New York	115.5	14.8
Pennsylvania	93.3	11.9
California	73.5	9.4
Texas	63.2	8.1
Tennessee	59.5	7.6
Sweaters, knit jackets & jerseys, U.S. total	817.6	100.0
New York	255.2	31.2
Pennsylvania	241.4	29.5
North Carolina	86.5	10.6
New Jersey	56.4	6.9
Knit outerwear sport shirts, U.S. total	1,008.2	100.0
North Carolina	326.2	32.4
Pennsylvania	103.3	10.2
New York	55.0	5.5
Other knit outerwear products, U.S. total	856.6	100.0
Pennsylvania	262.8	30.7
North Carolina	182.8	21.3
New York	71.3	8.3
Wisconsin	43.4	5.1

n.e.c. not elsewhere classified

Source: U.S. Bureau of the Census:
1982 Census of Manufactures,
Industry Series MC82-1-22B; MC82-1-23B

ADVERTISING EXPENDITURES

An estimated $173 million was spent on space and time in measured consumer media on national advertising in the sportswear classification in 1987 (including men's, women's and some children's), up only 3.0% from the year before according to the Newspaper Advertising Bureau. Women's items, of course, make up a high percentage of the advertising expenditure totals. It should be noted that this data does not account for some end-rate discounts to bulk purchasers of TV time and excludes production costs. Local advertising by retailers is not included.

The biggest dollar gain by media in 1987 was in outdoor advertising, up 33.9%. National advertising on bathing suits and beachwear gained 43.6% in the reported total with spot TV up a whopping 157%. Magazines, the media where the most advertising dollars were spent in all three sportswear classifications, grew 41.9%. Exercise and athletic wear ad spending increased 23.6% with network cable TV more than tripling.

National Advertising Expenditures on Men's & Women's Sportswear In Seven Measured Media, 1986, 1987

(Space as time costs in Thous. of Dol.)

	Sportswear			Bathing Suits & Beachwear		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total*	$173,182.1	$168,110.8	+ 3.0	$1,814.6	$1,263.3	+ 43.6
Magazines	97,092.9	85,745.2	+ 13.2	1,582.4	1,115.2	+ 41.9
Network TV	33,919.7	30,072.0	+ 12.8	na	na	--
Spot TV	23,192.5	27,492.1	- 15.6	57.3	22.3	+157.0
Cable TV	8,206.9	10,188.2	- 19.5	39.5	40.2	- 1.7
Newspaper Supplements	7,295.4	8,958.2	- 18.6	22.8	24.4	- 6.6
Network Radio	702.2	3,584.7	- 80.4	na	na	--
Outdoor	2,772.5	2,070.4	+ 33.9	112.6	61.2	+ 84.0

	Exercise & Athletic Wear		
	1987	1986	% Change 1987/86
Total*	$2,424.8	$1,961.8	+ 23.6
Magazines	2,059.3	1,636.0	+ 25.9
Network TV	na	na	--
Spot TV	260.2	280.4	- 7.2
Cable TV	77.9	16.8	+363.9
Newspaper Supplements	na	na	--
Network Radio	na	na	--
Outdoor	27.4	28.6	- 4.2

* Does not include newspaper and spot radio advertising.

Sources: Leading National Advertisers, BAR/LNA Multi-Media Service
Newspaper Advertising Bureau

ADVERTISING EXPENDITURES

Leaders in advertising expenditures for the sportswear categories were Guess Inc ($12.7 million), followed by Levi Straus ($31.1 million), and VF ($28.4 million). In the bathing suits and beachwear classification, Ujena allocated $414,500 in expenditures for 1987, up from $172,000 in 1986. Other major players were Jockey International, Ocean Pacific Sunwear, and Wickes. In 1987, Eaglewood (manufacturer of Danskin) was the leading spender for consumer advertising in exercise and athletic wear, with $367,700 in reported expenditures in measured media, a 78% increase from 1986. Dance France was second, followed by Leslie Fay, and Sport Obermeyer.

PRODUCER PRICE INDEXES

Domestic

The producer (factory) price for all women's apparel rose an average 3.0% between June 1987 and 1988 while the index for all commodities was up 3.8%. The largest price increase in women's sportswear categories was in skirts, up 10.1% reversing the downward trend in 1987. Average producer prices for sweaters, jackets & jersey's, however, recorded a decline of 1.3%.

Rising production costs, as well as a more competitive stance taken by some manufacturers in reaction to costlier imports, have resulted in escalating prices in most apparel classifications.

Producer (Factory) Price Indexes for Selected Types of Women's Sportswear & Separates:
June 1988, December 1987, Annual Average 1987
(1982 = 100 unless otherwise specified)

	Index		% Change		Index
	June 1988(p)	December 1987	June 1988/87	December 1987/86	Annual Avg. 1987
All commodities	106.5	104.2	+ 3.8%	+ 4.4%	102.8
All apparel	111.7	109.9	+ 3.3	+ 2.6	108.4
Women's, misses' & juniors' apparel	111.8	9.5	+ 3.0	+ 1.6	108.4
Skirts, including uniform	122.7	113.4	+10.1	- 3.6	110.8
Slacks, jeans & dungarees (12/84 = 100)	99.3	99.0	+ 0.9	- 1.1	98.7
Blouses & shirts, except knit sport & sweat shirts	139.2	133.2	+ 5.3	+ 1.9	132.0
Sweaters, jackets & jerseys (12/84 = 100)	106.4	105.3	- 1.3	+ 4.3	104.7
Knit outerwear sport shirts, incl. sweatshirts	130.8	130.6	+ 3.1	+ 3.1	127.3
Bathing suits	111.1	118.9	+ 1.3	+ 5.6	117.0
Leather coats, jackets (12/85 = 100)	115.6	112.1	+ 5.0	+ 5.0	110.0

na not available
(p) preliminary

Source: U.S. Department of Labor,
Bureau of Labor Statistics

FOREIGN TRADE

Import Prices

Devaluation of the U.S. dollar did not have an immediate impact on the newly industrialized countries which are major sources of imports for apparel items, particularly sportswear. However, the currencies of three of the Nation's major trading partners--Singapore, South Korea, and Taiwan--rose 8.8%, 8.8%, and 24.1%, respectively, in 1987. Taiwan had both the largest overall trade surplus and the largest currency appreciation vis-a-vis the U.S. of any of the newly industrialized countries.

As of June 1988, the apparel import price index compiled by the U.S. Bureau of Labor Statistics registered a 5.1% gain over the June 1987 index. For women's and children's outergarments, the gain from June 1987 to June 1988 was 2.3%; for blouses, import prices were up 12%. The indexes are based on prices paid by the U.S. importer in U.S. dollars.

Import Prices Indexes & Percent Changes

	Index			% Change		
	Base Period =100	June 1988	Dec. 1987	June 88/ June 87	June 88/ March 87	June 88/ Dec. 87
Clothing, total	1985	114.8	112.3	+ 5.1%	- 0.7%	+ 2.2%
Women's & children's outerwear	Sept. 1986	108.5	114.1	+ 2.3	- 0.2	- 4.9
Blouses	1985	120.9	112.1	+12.0	+ 1.4	+ 7.9

Source: U.S. Department of Labor, Bureau of Labor Statistics: U.S. Import & Export Price Indexes (Quarterly releases)

Historical Trends

An overview of trends in imports and exports of blouses by the International Trade Administration highlights the typical developments in sportswear: while still at historically high levels, the rate of gain in imports has slowed down, while exports--helped by the decline in the value of the dollar--are registering better gains than in recent years.

Trends in Value of Blouse Imports & Exports

	% Change			
	Compound Annual		Annual	
	1972-85	1980-85	1985-86	1986-87
Women's, misses' blouses				
Value of imports	+ 20.8%	+ 21.9%	+ 21.1%	+ 11.0%
Value of exports	+ 19.9	- 5.0	+ 40.0	+ 20.1

Source: International Trade Administration
U.S. Industrial Outlook 1988 (U.S. Department of Commerce)

FOREIGN TRADE

Relative changes in imports vs. exports in 1987 compared with 1986 were reported by the U.S. International Trade Administration as follows:

Percent Change: 1987 Compared with 1986

	Imports	Exports
Sweaters, total		
Quantity	- 5%	- 29%
Value*	+ 9	+ 14
Shirts, blouses (women's & children's)		
Quantity	+ 2	+ 27
Value*	+ 18	+ 19
Slacks, shorts (women's & children's)		
Quantity	+ 28	+ 75
Value*	+ 35	+ 52
Leather wearing apparel, total (except gloves & headwear)		
Quantity	+ 20	+ 52
Value*	+ 52	+ 69

* Imports values are based on customs value (price paid not including insurance, freight, duties and other charges involved in shipping). Export values are based on f.a.s. value, U.S. port of export.

Imports

Apparel imports started to slow down in 1987 due to the sharp decline in retail sales in the U.S. At mid-year 1987, apparel imports were up 12.6% in quantity, and 24.5% in value. However, for the year, they were up only 4.6% in quantity and 18.5% in customs value. In reported women's/children's sportswear classifications, the downturn in value of imports continued in the first quarter of 1988, except in skirts, as retail business remained very soft.

Percent Change in Value of Imports: January-March Period, 1988/1987

	Percent
Women's & children's	
Blouses	- 11.2%
Knit shirts	- 11.6
Sweaters	- 40.2
Skirts	+ 10.2
Playsuits	- 16.3
Slacks, shorts	- 13.9

Source: U.S. Department of Commerce, Bureau of the Census

Imports (continued)

Much of the 1987 growth of apparel imports resulted from a sharp rise in unit values. Higher prices resulted from: (1) the weak dollar, which raised the cost of imports to U.S. buyers; (2) tighter quotas on imports from some countries, which encourages suppliers to ship higher value merchandise to maximize profits; and (3) limited availabilities and higher raw material costs for some items.

More moderate slowdowns in quantity of imports were brought about by embargoes particularly affecting imports from China, and more restrictive bilateral agreements negotiated in 1986. Currently, as noted above, slowdowns in imports are attributable to weak consumer demand in the U.S.

Detailed information on imports in 1987 compared with 1986 by type of fiber are covered in the following table, showing the quantity and value of entries for immediate consumption, withdrawals from warehouses for consumption, and entries of merchandise into U.S. Customs territory from U.S. Foreign Trade Zones.

While the customs value of specified women's and children's sportswear imports for consumption gained 14.1% in 1987 compared with 1986, the increase in units was 24.7%. Imports of women's knit shirts were up 40.7% in value and 104.8% in units, primarily because of the continuing demand for cotton sweatshirts by women and juniors at the retail level. About 58% of the cotton shirts for women were subject to some form of import restraint, according to the International Trade Commission.

Imports of skirts increased by 33.7% in quantity in 1987 and by 41.1% in value to $769.8 million. This increase, which partly reflects the expected demand for miniskirts (which did not come up to expectations) occurred almost entirely in the quota-free and miscellaneous natural fiber skirts. The greatest quota-related shift in trade occurred with China, whose shipments declined as a result of embargoes. Offsetting the decline in shipments of skirts covered by quotas from the major suppliers (Hong Kong, Taiwan, and China) were significant increases in imports from Korea, India, Italy, and a number of smaller importers such as Thailand, the Dominican Republic and the Philippines.

Imports (continued)

Summary of U.S. Imports for Consumption of Women's & Children's Sportswear & Separates, 1986, 1987

	Quantity (Thous. Doz.)		% Change	Customs Value* (Thous. Dollars)		% Change
	1987	1986	87/86	1987	1986	87/86
Total, all reported categories	111,678.7	89,594.2	+ 24.7%	$5,918,616	$5,185,414	+ 14.1%
Blouses & shirts, total	65,124.3	45,292.1	+ 43.8	2,518,554	2,211,238	+ 13.9
Blouses	21,232.6	23,861.7	- 11.0	1,433,853	1,440,532	- 0.5
Cotton	10,237.1	10,791.5	- 5.1	587,655	545,007	+ 7.8
Wool or manmade	9,286.8	11,482.7	- 19.1	590,606	668,443	- 11.6
Silk	1,040.1	827.0	+ 25.8	172,526	140,410	+ 22.9
Knit, wool	668.6	760.5	- 12.1	83,066	86,672	- 4.2
Shirts, knit						
Cotton or manmade	43,891.7	21,430.4	+104.8	1,084,701	770,706	+ 40.7
Sweaters, knit	12,639.7	13,292.5	- 4.9	1,231,205	1,178,492	+ 4.5
Cashmere, whole or part	63.7	60.4	+ 5.5	38,505	32,984	+ 16.7
Sheep-like hair, (excl. cashmere)	167.3	193.7	- 13.6	28,076	29,187	- 3.8
Wool	1,565.9	1,658.7	- 5.6	259,722	256,056	+ 1.4
Manmade	9,304.4	9,913.1	- 6.1	728,193	699,565	+ 4.1
Cotton	1,538.4	1,466.6	+ 4.9	176,709	160,700	+ 10.0
Trousers, slacks & shorts	22,094.1	21,403.3	+ 3.2	1,317,877	1,171,572	+ 12.5
Cotton (excl. shorts)	9,128.1	8,673.7	+ 5.2	728,267	620,912	+ 17.3
Wool	237.4	305.2	- 22.2	46,444	55,935	- 17.0
Manmade	8,303.9	8,654.6	- 4.1	369,160	356,082	+ 3.7
Silk	26.9	69.8	- 61.5	4,469	12,584	- 64.5
Shorts, cotton	4,398.1	3,700.0	+ 18.9	169,537	126,059	+ 34.5
Skirts, total	8,705.9	6,509.6	+ 33.7	769,812	545,515	+ 41.1
Wool	365.9	407.9	- 10.3	60,417	76,050	- 20.6
Manmade	2,201.3	2,037.1	+ 8.1	199,556	160,421	+ 24.4
Cotton	4,237.3	2,574.8	+ 64.6	311,897	179,333	+ 73.9
Knit	2,001.4	1,489.5	+ 34.4	197,942	129,711	+ 52.6
Wool	239.2	280.2	- 14.6	44,863	42,916	+ 4.5
Cotton or manmade	1,762.2	1,209.3	- 45.7	153,079	86,795	+ 76.4
Playsuits, cotton	3,114.7	3,096.7	+ 0.6	81,168	78,597	+ 3.3

na not applicable

* Customs value is the purchase price and excludes all freight, insurance, duties and other charges incurred in bringing the merchandise to the U.S.

Source: U.S. Bureau of the Census: U.S. General Imports & Imports for Consumption FT 135, December 1986, 1987

FOREIGN TRADE

Imports (continued)

Imports from the Caribbean Basin also continued their rapid growth. About 78% of these imports consisted of garments assembled in the Caribbean Basin and Mexico from U.S. fabricated parts and entering the U.S. under provision 807, which allows duties to be applied only to the value added in assembly abroad. Major Asian producers whose growth potential has been limited by tight U.S. quotas have increased investments in these areas, contributing to the growth of non-807 imports from the Caribbean Basin and Mexico.

The largest Caribbean suppliers--the Dominican Republic, Jamaica, Costa Rica, and Haiti, representing 81% of total apparel imports from Caribbean countries in 1987--have entered into the U.S.'s "special access program", known as 807-A. This program guarantees these suppliers and other eligible Caribbean countries greater access to the U.S. market for their products assembled with fabric both produced and cut in the U.S. A similar "special regime" has recently been created with Mexico, the largest supplier of apparel under the 807 provision.

Information on the quantity and value of "807" imports of specified women's wear has been separately reported by the Census Bureau for 1986, but not for 1987 (Apparel, Current Industrial Reports, MA23A(87)). However, 807 pieces are included in exports (which may be overstated). The "807" imports are also included in import data.

Quantity & Value of "807" Imports: 1985, 1986
(Quantity in thous. of dozens; Value in mil. of dollars)

	1986			1985		
	Quantity	Value of U.S. Content*	Total Value**	Quantity	Value of U.S. Content*	Total Value**
Women, Girls, Infants						
Total listed items	6,452	$160.5	$252.4	4,741	$136.1	$208.0
Sweaters	15	0.1	1.0	7	0.1	0.3
Blouses & shirts	3,130	65.0	115.0	2,181	55.7	91.9
Skirts	471	19.8	29.3	259	12.0	17.5
Slacks & shorts	2,725	72.8	103.1	2,177	65.3	94.2
Swimsuits	111	2.8	4.0	117	3.0	4.1

Note: "807" apparel is included in domestic output, imports, and exports. For explanation of this import classification, see above discussion.

* Represent the value of U.S. fabricated components.
** C.I.F. (cost, insurance, freight) value including the value of U.S. components and foreign processing.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (86)

FOREIGN TRADE

Imports (continued)

Using a different merchandise classification system (published in Census Bureau report IM146), the following data on imports for 1987 and 1986 was reported:

Quantity & Value of Imports For Consumption in the U.S.: 1986, 1987
(Quantity in thous. of dozens; Value in mil. of dollars)

	Quantity			Value (C.I.F.)*		
	1987	1986	% Change	1987	1986	% Change
Women, Girls, Infants Sportswear/casual wear						
Total listed items	138,324	129,783	+ 6.6	$10,688.3	$9,335.6	+14.5%
Sweaters	22,565	24,512	- 7.9	2,755.1	2,601.8	+ 5.9
Blouses & shirts	62,718	63,392	- 1.1	4,354.4	3,810.9	+14.3
Skirts	9,705	7,020	+ 38.3	1,105.9	749.1	+47.6
Slacks & shorts	41,918	33,408	+ 25.5	2,407.8	2,112.0	+14.1
Swimsuits	1,418	1,451	- 2.3	65.1	61.8	+ 5.3

* The C.I.F. value includes cost of merchandise plus insurance, freight, and other charges excluding U.S. import duties) involved in bringing the merchandise from the country of exportation to the first port of arrival in the U.S.

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (87)

Exports

Much of any gains in exports have been attributed to the "807" program, and represent garments shipped unassembled to the Caribbean Basin and Mexico, then returned to the U.S. after assembly. U.S. exports have been helped by the cheaper dollar, which makes U.S. goods less expensive in terms of some foreign currencies.

Quantity & Value of Exports of Specified Apparel: 1986, 1987
(Quantity in thous. of dozens; Value in mil. of dollars at port)

	Quantity			Value (F.A.S.)*		
	1987	1986	% Change	1987	1986	% Change
Women, Girls, Infants Sportswear/casual wear						
Total listed items	5,254	3,772	+ 39.3%	$124.3	$95.3	+30.4%
Sweaters	26	42	- 38.1	1.4	1.6	-12.5
Blouses & shirts	2,676	2,102	+ 27.3	53.9	45.3	+19.0
Skirts	448	260	+ 72.3	17.0	11.0	+54.6
Slacks & shorts	2,000	1,149	+ 74.1	49.1	33.3	+47.5
Swimsuits	104	219	- 52.5	2.9	4.1	-29.3

* F.A.S: free alongside ship

Source: U.S. Bureau of the Census:
Current Industrial Reports MA23A (87)

FOREIGN TRADE

Imports Share of New Supply

According to an analysis of total U.S. market supply of key sportswear/casual wear classifications, compiled by the U.S. Bureau of the Census, 1987 imports (in terms of volume) represented 78.1% of total U.S. consumption of women's and children's sweaters, up from 64.4% in 1983. Of blouse and shirt consumption, imports accounted for 58% in 1987 compared with 33% four years earlier. The share held by imports in 1987 of total consumption of women's and children's slacks and shorts was 59.1% compared with 25.4% in 1983.

Apparent Consumption & Imports Share: 1985-1987

Women's, Girls', Infants' Sportswear/casual wear	Apparent Consumption*			% Accounted For By Imports		
	1987	1986	1985	1987	1986	1985
QUANTITY (thous. of dozens)						
Sweaters	28,905	32,186	31,256	78.1%	76.2%	72.0%
Blouses & shirts	108,230	108,725	97,024	58.0	58.3	51.7
Slacks & shorts	70,920	62,089	59,374	59.1	53.8	46.2
Skirts	18,799	15,739	12,902	51.6	44.6	33.2
Swimsuits	5,170	4,767	4,786	27.4	30.4	26.4
VALUE (thous. of dollars)						
Sweaters	3,422.5	3,321.8	2,988.6	80.5%	78.3%	77.0%
Blouses & shirts	7,850.9	7,417.0	6,572.1	55.5	51.4	44.4
Slacks & shorts	5,769.9	5,224.5	5,274.3	47.7	40.4	35.1
Skirts	2,567.7	2,069.3	1,687.6	43.1	36.2	25.7
Swimsuits	584.4	545.4	527.1	11.1	11.3	11.3

* Apparent consumption represents new domestic supply, and is derived by subtracting exports form the sum of U.S. manufacturers' shipments plus imports.

Source: U.S. Bureau of the Census: Current Industrial Reports MA23A(87)

In an analysis of domestic consumption by Kurt Salmon Associates, the following share of total units was attributed to imported merchandise in women's wear (only) classifications in 1987 compared with 1986:

Percent of Unit Purchases of Women's Sportswear Accounted For By Imports: 1986, 1987

	1987	1986
Women's		
Blouses & shirts (woven)	46%	46%
Tee/tank/polo shirts (knit)	58	58
Active sportswear	30	28
Sweaters	62	62
Slacks	27	24
Denim jeans	36	36
Skirts	28	25

Source: The KSA/NPD Purchase Panel, a joint venture of Kurt Salmon Associates and the NPD Group. (The Soft Goods Outlook for 1988 The KSA Perspective.)

AT THE RETAIL LEVEL

THE POTENTIAL MARKET

One of the problems currently affecting women's sportswear sales is that recent fashion changes encompassing shorter hemlines, frivolous dressy looks, and close-fitting spandex outfits don't reflect the number of baby boomers now reaching their late 30's. The number of women in the 35-54 age bracket will climb 23% by 1995. Women 20-34 represent the largest segment of the adult female population in 1988, but they will be surpassed by the 35-54 year olds, who will represent 27.9% of all females in 1995, and 29.2% in 2005. The median age will increase from 33 and a half in 1988 to over 39 in 2005. In contrast, the number of 16-19 year olds will decline 9% and the 20-34 age group will drop 8.5% in number by 1995.

Estimated Female Population of the U.S. 1988 & Projections 1995*, 2005*
(Numbers in thousands, including Armed Forces overseas)

				% Change	% Distribution		
	1988	1995	2005	1995/1988	1988	1995	2005
Total all ages	125,911	133,191	141,381	+ 5.7%	100.0%	100.0%	100.0%
Under 16 years	27,574	29,481	28,365	+ 6.9	21.9	22.1	20.1
16 years & older	98,337	103,710	113,016	+ 5.5	78.1	77.9	79.9
16 - 19 years	7,161	6,517	7,708	- 9.0	5.7	4.9	5.5
20 - 34 years	31,141	28,497	26,497	- 8.5	24.7	21.4	18.9
35 - 54 years	[illegible]0,236	37,190	41,249	+ 23.0	24.0	27.9	29.2
55 - 64 years	[illegible]1,469	11,059	15,399	- 3.6	9.1	8.3	10.9
65 & over	[illegible]3,330	20,447	21,954	+ 11.6	14.6	15.3	15.5
Median age	33.6	35.9	39.2	+ 6.8			

* Middle of a series of three different projections, each based on alternative assumptions for future fertility, mortality, and net immigration levels.

Source: U.S. Bureau of the Census
Current Population Reports,
P-25, No. 952

LARGE SIZE MARKET

The large-size apparel market represents an annual sales volume of approximately $7.5 billion at retail, almost 15% of total women's wear, according to Kurt Salmon Associates. Unit purchases of women's apparel in the 16-and-over size range have grown by 32% since 1982, compared with only 7% for purchases of all female apparel products.

In terms of retail distribution outlets, specialty stores are the leading channel and are much more important than the next strongest channels, national chain and department stores.

LARGE SIZE MARKET

Relative Strength of Outlets Selling Large-Size Women's Wear, 1986

	% of Large-Size Unit Sales	% of Total Women's Wear Unit Sales
Specialty Stores	20%	14%
National Chains	17	14
Department Stores	23	19
Discounters	26	30
All Others	14	23

Source: KSA/NPD Purchase Panel of 11,500 households

Whereas 45% of all women's apparel is purchased by customers over 45 years of age, 56% of all large-sized garments are bought by that age group.

Distribution of Unit Purchases of Apparel By Age of Customer Large-Sized Versus All Women

Customers' ages	% of Large-Size Unit Purchases	% of Total Women's Wear Unit Purchases
Less than 35	26%	32%
35-44	18	23
45-54	19	15
55-64	16	12
65 or Over	21	18

Source: KSA/NPD Purchase Panel of 11,500 households

CONSUMER EXPENDITURES

In order to collect a continuous flow of information on purchases to be used in periodic revisions of the Consumer Price Index base, an on-going survey of a representative sample of consumers is conducted by the Census Bureau for the Bureau of Labor Statistics.

CONSUMER EXPENDITURES

The Bureau of Economic Analysis, Department of Commerce, on the other hand, compiles figures on total personal consumption expenditures by major product classification. Drawing on the pattern in spending for specific types of women's wear reported by the BLS, and applying this formula plus trade data to BEA based spending totals results in the following estimates of expenditures for specific types of women's sportswear. This covers the value at retail of merchandise reaching the consumer, including non-retail channels as well as retail outlets.

Estimated Personal Consumption Expenditures: 1987

	Billions of dollars	Percent
Women's wear expenditures, total	$ 78.7	100.0%
Specified sportswear/casual wear, total	43.1	54.8
Sweaters	10.2	13.0
Blouses & shirts	14.7	18.7
Skirts	6.0	7.6
Slacks/jeans	8.1	10.3
Shorts	1.5	1.9
Activewear	2.6	3.3

Source: Estimates based on Bureau of Economic Analysis and Bureau of Labor Statistics reports; trade sources.

The BLS Consumer Expenditure Survey in 1986 included information on the average percent of households in the U.S. who purchased one or more of the specified women's wear items in any quarter of 1986, and the average amount spent per quarter.

Quarterly Average Expenditures By U.S. Households For Specified Women's Sportswear/Casual Wear: 1986

	Quarterly Average	
	% of Households Purchasing	Amount Spent
Apparel for women age 16 & over, total	59.0%	$168
Sweaters, sets & vests	15.7	60
Blouses & shirts	25.1	46
Skirts, culottes	10.3	45
Slacks, dungarees	19.8	48
Shorts, short sets	7.0	31
Sportswear (activewear)	8.4	43

Source: U.S. Bureau of Labor Statistics: 1986 Consumer Expenditure Survey

BLS findings on the pattern in household spending by income group and by region are summarized in the following tables.

CONSUMER EXPENDITURES

Percent Distribution of Expenditures for Women's Sportswear By Income Before Taxes, 1986

	% of Consumer Units Reporting Income	Sweaters	Slacks Jeans	Shorts & Sets	Sportswear
Total	100.0%	100.0%	100.0%	100.0%	100.0%
$40,000 & Up	19.9	40.3	33.3	41.2	43.8
$30,000 - $39,999	12.6	15.3	15.1	14.8	13.5
$20,000 - $29,999	16.7	15.6	17.6	14.5	15.6
$15,000 - $19,999	10.2	7.3	9.7	8.2	8.6
$10,000 - $14,999	12.5	7.4	8.5	6.5	6.0
$ 5,000 - $ 9,999	15.9	7.3	8.3	7.1	6.4
Less than $5,000	12.3	6.8	7.5	7.7	6.1

Percent Distribution of Expenditures for Women's Sportswear By Region, 1986

	% of Consumer Units	Sweaters	Slacks Jeans	Shorts & Sets	Sportswear
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Northeast	21.2	23.2	24.1	22.6	21.4
Midwest	25.2	29.3	27.8	24.4	23.7
South	34.0	29.9	28.4	37.1	31.0
West	19.6	17.6	19.6	15.8	24.0

Source: U.S. Bureau of Labor Statistics: *Consumer Expenditure Surveys*

CONSUMER PRICE TRENDS

Reflecting increases in the price of imported apparel as well as in domestic products, retail prices for women's apparel were up 6.1% in the twelve months ending in May 1988 compared with a 3.9% increase for the overall Consumer Price Index over the same period. Women's separates and sportswear prices increased 4.5% during this period.

Consumer Price Indexes for Selected Women's Apparel Items 1986, 1987 Annual Average, May 1987, 1988

(1982-84 = 100 unless otherwise specified)

	May		Annual Average		
	Index	% Change 1988/87	1987	1986	% Change 1987/86
All items	117.5	+ 3.9%	113.6	109.6	+ 3.6%
Apparel (not including footwear)	115.7	+ 5.1	109.6	104.7	+ 4.7
Women's apparel	118.7	+ 6.1	110.9	104.4	+ 6.2
Separates & sportswear	122.9	+ 4.5	115.6	108.2	+ 6.8
Coats & jackets	104.9	+ 5.0	100.9	95.1	+ 6.1

Source: U.S. Department of Labor,
Bureau of Labor Statistics

RETAIL SALES BY PRODUCT

Manufacturers are trying to determine how to add fashion to categories which are already casual in the extreme--such as fleece activewear or damaged denim jeans. Oversized loose styling in fleecewear is on its way out but closer fitting stretch garments are more evident, according to an analysis by Kurt Salmon Associates. Overall, however, estimated unit sales for women's wear rose 5% in 1987, but are expected to increase only 2% in 1988.

Activewear and t-shirts were the brightest areas in sportswear markets, with each category increasing 22% in 1987 in terms of units. However, these items will not perform as well in 1988. Skirts were up 19%, however, and are expected to register the biggest overall increase in 1988 (8%), according to KSA.

Percent Change in Unit Purchases of Women's Sportswear Consumption, 1984 - 1988

	Forecast	Estimated	Actual	
	1988/87	1987/86	1986/85	1985/84
Women's wear, total	+ 2%	+ 3%	+ 3%	0
Blouses/shirts (woven)	0	- 8	+ 6	- 1
Tee/Tank/Polo (knit)	+ 7	+ 22	+ 10	- 14
Sweaters	0	0	+ 17	+ 14
Slacks	- 2	- 2	+ 5	+ 4
Denim Jeans	- 2	- 2	- 1	+ 1
Skirts	+ 8	+ 19	+ 21	- 5
Active Sportswear	+ 5	+ 22	+ 38	+ 20

Source: Kurt Salmon Associates:
Softgoods Outlook, 1988
(Based on the KSA/NPD purchase panel of 11,500 households.)

According to an analysis of consumer purchases by the MRCA Soft Goods Information Service Group, sweaters have been one of the brighter areas within the women's sportswear industry. In 1987, 13% of all women's clothing dollars were spent on sweaters--the biggest single category. It is a $7 billion business and showed growth of almost 8% over 1986. The real winners in women's sportswear, however, were shirts, up 31.8%; skirts, up 15.8%; and activewear, up 27.9%. In contrast, purchases of blouses and slacks dropped by 7.8% and 1.3% respectively.

Percent Change in Expenditures On Specified Women's Sportswear: 1986-1987

Women's Wear Total	+ 3.5%
Activewear	+27.9
Blouses	- 7.8
Shirts	+31.8
Sweaters	+ 7.6
Skirts	+15.8
Slacks	- 1.3
Jeans	+ 1.8
Shorts	+11.6

Source: MRCA Soft Goods Information Service

(See section on CONSUMER PURCHASE PATTERNS for more detailed information on sportswear purchases as tracked through purchase diaries.)

RETAIL SALES BY STORE TYPE

The latest official figures on merchandise line sales by store type are found in the 1982 Census of Retail Trade which is currently being updated by the Census Bureau to cover 1987 results.

The distribution of total retail sales of women's and children's wear--of which sportswear/casual wear is a major component--has been estimated by the International Ladies Garment Workers Union (ILGWU) as noted in the table below. Discount department stores/mass merchandisers are included in the department store classification (based on their merchandise mix of hard and soft lines), and the increase in market share noted for the department store group is due to these stores.

Share of Retail Outlet Sales By Outlet Type: 1982, 1984, 1987

	1987	1984	1982
Women's and children's wear, total	100.0%	100.0%	100.0%
Department stores	42.2	42.8	41.4
Women's specialty stores	34.7	33.3	35.3
Family clothing stores	11.0	11.0	11.0
Other retail outlets	12.0	12.9	12.3

Source: ILGWU: Conditions in the Women's Garment Industry (June 21, 1988)

Retail sales of women's wear began to sag in mid-1987, and this has continued in the first half of 1988. Measured in real terms to take price increases into account, sales of women's and children's wear were up only 0.1% in 1987, and registered a 2.1% decline in the first five months of 1988, according to the ILGWU Research Department. The retailer response has been increased caution in ordering, with cutbacks in imports and to a less extent, domestic sourcing, to minimize inventory buildup.

Recent merger and acquisition activity among retailers is affecting the buying and merchandising of apparel, and new patterns are emerging. According to MRCA, discounters, off-price outlets and specialty stores each increased their dollar sales of apparel by about 8% during the first quarter of 1988, while department stores were flat. Mail order has been showing increased strength in the distribution channel, rising from 3.2% of women's apparel sales in 1985 to 4.2% in 1987, according to KSA/NPD.

Department Stores

According to the Census Bureau, the number of department stores in operation in the U.S. totaled 9,982 in 1985, about the same number as in 1982. Total sales (in current dollars) increased from $107.2 billion in 1982 to $151.7 billion in 1987. Discount department stores accounted for 45% of the 1987 total volumne national chains, 24%. In 1982, discount department stores represented 37.3% of the department store total; department stores operated by national chains (Sears, Ward Penney) accounted for 28%. The remaining cut of the pie was held by conventional department stores.

Department Stores (continued)

Total discount department store sales rose 10.7% in the first half of 1988, according to the Census Bureau. This compares with a 4.4% decline in total sales of national chain department stores, and a 2.5% rise in sales of conventional department stores.

Annual merchandising and operating results in department stores are compiled by the National Retail Merchants Association based on reports from member companies.

Selected Merchandising & Operating Results In Department Stores With Total Annual Sales Over $2 Million, 1988

(Median results)

	Total Annual Sales Over $2 Million		
	Total Female Sportswear	Women's, Misses' Sportswear	Junior Sportswear
Number of firms reporting	59	58	59
Net sales % change from last year	+12.0%	+ 12.5%	+ 10.9%
Sales % to total store	20.2	14.2	4.1
$ sales per sq. foot of selling space	$138.0	$148.5	$126.5
Cumulative markon, %	52.8%	52.6%	52.8%
Gross margin, % of sales including cash discounts	43.0	42.8	43.1
Markdowns, retail, % of sales	28.3	27.5	27.3
Number of stock turns	3.6	3.6	3.6
Salespeople's salaries, % of sales	5.6%	5.8%	6.6%
Advertising % of sales	2.3	2.2	2.8

Source: National Retail Merchants Association: "Merchandising & Operating Results" (1987 Edition)

Specialty Stores

According to the 1982 Census of Retail Trade, reported items of women's sportswear/casual wear in women's wear stores amounted to $8.3 billion or 41% of total store sales. In family clothing stores, women's sportswear sales amounted to $3.0 billion, or 23% of total store sales.

The latest count on the number of women's ready to wear stores showed a total of 44,443 in operation (County Business Patterns 1985, U.S. Bureau of the Census), compared with 44,163 in 1982. Total sales in 1987 amounted to $28.2 billion, up 55% over the 1982 total in current dollars. The Census Bureau reported 16,643 family clothing stores in operation as of 1985. Total sales in this store group amounted to $19.4 million in 1987, a gain of 42% over 1982.

The NRMA reports the typical (median) contribution of sportswear to total specialty store business in 1986 as noted below, plus other operating results based on reports from member stores.

Specialty Stores (continued)

Selected Typical (Median) 1986 Merchandising & Operating Results In Specialty Stores With Total Annual Sales Over $1 Million, 1986

	All Adult Female Apparel	All Adult Female Sportswear	Women's & Misses' Sportswear	Juniors' Sportswear
Number of reporting companies	19	16	15	13
Net sales, % change from last year	+ 2.5%	7.1%	+ 10.1%	- 1.9%
Sales, % to total store sales	50.1	27.7	19.7	5.9
$ sales per sq. foot of selling space	$234.0	223.0	$252.0	$179.0
Cumulative markon, %	51.7%	52.6%	52.7%	53.6%
Gross margin, % of sales including cash discounts	41.4	41.9	41.7	42.3
Markdowns, retail, % of sales	23.7	30.4	29.3	28.3
Advertising, % of sales	2.4	2.3	2.3	2.5
Salespeoples salaries, % of sales	7.6	7.3	7.3	7.5
Number of stock turns	3.5	3.7	3.7	3.9

Source: National Retail Merchants Association, "Merchandising & Operating Results" (1987 Edition)

Specialty retailers have outpaced department stores in the race for market share in women's wear in the past five years, due to their ability to respond more quickly to fashion changes, as well as to meet the needs of working women for better service and accessibility.

Large operations have taken advantage of the cost benefits of sourcing abroad, but this advantage is being lost due to changing exchange rates, as well as delivery problems and quota developments. Competition among the upscale stores has heated up with the proliferation of boutiques opened by designers.

Discount Stores

Discount stores accounted for total sales of women's apparel of $8.9 billion, a rise of 11.95%, on sales of $147 per square foot. Off-price apparel stores gained 16.5% in sales of women's clothes, according to Discount Merchandiser.

Discount Store Sales, 1987

	Sales (000)	% of Total
Total Sales of Women's Wear	$8,920,400	100.0%
Tops	3,116,800	34.94
Bottoms	1,423,700	15.96
Activewear	537,900	6.03
Outerwear	186,400	2.09

Source: Discount Merchandiser

RETAIL ADVERTISING

Examining the amount of advertising by retailers gives an idea of the seasonal distribution of sales. Although retailers devote most of their advertising to the fourth quarter, advertising for junior sportswear is influenced by the back to school season.

Percent of Year's Total Newspaper Linage Run By Retailers Each Month: 1986

	Junior Sportswear & Accessories	Sweaters & Knit Tops	Skirts	Woven Blouses & Shirts	Pants, Shorts & Jeans	Coats & Jackets
January	2.8%	3.8%	2.6%	2.8%	4.2%	6.7
February	5.2	5.1	10.7	6.4	6.6	7.1
March	7.4	6.7	11.2	10.4	8.4	7.6
April	8.4	8.5	8.7	10.5	11.1	4.1
May	5.7	8.1	7.1	11.2	12.9	2.9
June	6.6	4.9	5.0	5.8	7.7	1.8
July	5.3	4.9	6.0	5.0	7.1	3.1
August	22.6	9.1	9.3	7.8	9.1	7.6
September	7.0	9.6	11.8	8.7	7.5	8.8
October	7.6	11.0	11.0	9.6	8.0	15.0
November	9.9	14.1	9.6	11.5	9.1	18.6
December	11.5	14.2	7.0	10.3	8.3	16.7
Year	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: The Advertising Checking Bureau, Inc.,
Newspaper Advertising Bureau:
1988 Newspaper Advertising Planbook

CONSUMER PURCHASE PATTERNS

KSA/NPD Purchase Panel

The following information on purchases for women aged 14 years and older for the years 1987 and 1986 has been supplied by Kurt Salmon Associates and the NPD Group. The KSA/NPD Purchase Panel consists of 11,500 households reporting monthly on their purchases of apparel.

Sweaters gained a whopping 24.6% in dollars (19.4% in units) and shorts were up 12.7% in dollars, but only 4.8% in units, demonstrating the effect of high prices. Blouses and shirts, grew only 5.9% to $9.2 billion, increasing only 2.4% in units.

CONSUMER PURCHASE PATTERNS

KSA/NPD Purchase Panel (continued)

Purchases of Women's Sportswear Items

	Dozen Units (Mil.)			Dollars (Mil.)		
	1987	1986	% Change 1987/86	1987	1986	% Change 1987/86
Total	1,430.5	1,366.0	+ 4.7	$20,553.1	$18,499.6	+ 11.1
Skirts	257.6	215.7	+ 19.4	4,975.3	3,991.8	+ 24.6
Shorts	105.5	100.6	+ 4.8	921.9	818.1	+ 12.7
Blouses/shirts	777.5	759.4	+ 2.4	9,264.0	8,749.9	+ 5.9
Sweaters	289.9	290.3	- 0.1	5,391.9	4,939.8	+ 9.2

Department discount and specialty stores remain the leading outlets for women's sportswear purchases, but the "other" category, including sporting goods stores, and warehouse clubs, has been gaining share.

Purchases of Women's Sportswear By Outlet
Percent of Units, 1986, 1987

	Skirts		Shorts		Blouses/Shirts		Sweaters	
	1987	1986	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%	100%	100%
Department Stores	25.7	18.9	18.3	17.1	19.2	20.6	22.3	22.3
Mass Merchandisers*	12.8	11.5	15.7	13.9	13.8	13.9	14.8	15.3
Discount Stores**	26.4	25.7	38.4	40.6	34.2	34.1	29.1	29.5
Specialty Stores	25.0	24.7	18.7	20.3	21.2	22.1	24.5	25.8
Mail Order	3.2	4.2	1.7	1.6	3.2	3.5	2.8	2.3
All Other Outlets	6.9	5.0	7.2	6.5	8.4	5.9	6.5	4.8

* Includes Sears/Penney/Ward/K-Mart
** Includes K-Mart/Other Discount/Off-price/Variety

Purchases of Women's Sportwear By Outlet
Percent of Dollars, 1986, 1987

	Skirts		Shorts		Blouses/Shirts		Sweaters	
	1987	1986	1987	1986	1987	1986	1987	1986
Total	100%	100%	100%	100%	100%	100%	100%	100%
Department Stores	29.8	33.1	24.1	21.7	24.3	25.2	25.5	25.9
Mass Merchandisers*	10.5	9.8	14.1	13.0	12.9	13.4	12.9	13.3
Discount Stores**	19.3	18.1	29.4	31.8	25.8	25.6	22.1	22.1
Specialty Stores	30.0	30.3	22.1	24.4	25.2	26.2	29.6	30.5
Mail Order	4.0	4.6	2.9	2.1	3.8	4.0	3.7	3.1
All Other Outlets	6.4	4.1	7.4	7.0	8.0	5.6	6.2	5.1

* Includes Sears/Penney/Ward/K-Mart
** Includes K-Mart/Other Discount/Off-price/Variety

Source: KSA/NPD Purchase Panel

KSA/NPD Purchase Panel (continued)

In 1987, more units were purchased in the highest price ranges. For example, although 15.7% of sports shirts purchased in 1986 were priced at $20 to $29.99, 19.1% cost that much in 1987.

Purchases of Women's Sportswear By Price Point
Percent Dozen Units, 1986, 1987

	Year	Total	Less Than $8.00	$8 - $13.99	$14- $19.99	$20 - $29.99	$30 & Over
Skirts							
	1987	100%	13.3	26.1	25.2	19.1	16.3
	1986	100%	13.6	30.6	25.0	15.7	15.1

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Shorts							
	1987	100%	25.7	33.7	22.9	9.4	8.3
	1986	100%	28.0	36.4	23.1	6.6	5.9

	Year	Total	Less Than $5.00	$5 - $8.99	$9 - $12.99	$13 - $16.99	$17 and Over
Blouses/ Shirts	1987	100%	12.6	27.2	26.8	13.5	19.9
	1986	100%	12.9	28.5	28.1	12.9	17.6

	Year	Total	Less Than $8.00	$8 - $13.99	$14- $19.99	$20 - $29.99	$30 & Over
Sweaters							
	1987	100%	16.4	28.2	27.1	17.0	11.3
	1986	100%	17.3	34.1	25.6	13.8	9.2

Although polyester dominates as the primary fiber used in skirts, shorts, and blouses/shirts, its use decreased in 1987 as demand rose for more natural fibers such as cotton.

KSA/NPD Purchase Panel (continued)

Purchases of Women's Skirts By Fiber Content

	% Units	
	1987	1986
Total	100.0%	100.0%
Polyester dominant	41.8	51.0
100% Polyester	8.4	12.6
Polyester/cotton	19.6	20.1
Other polyester	13.8	18.3
Cotton dominant	31.1	24.4
100% cotton	27.6	19.0
Cotton/poly blends	3.0	4.6
Other cotton blends	0.5	0.8
Wool dominant	6.4	7.9
Rayon dominant	11.5	10.5
All other fibers	9.2	6.2

Purchases of Women's Shorts, Blouses/Shirts By Fiber Content

	Shorts % of Units		Blouses/Shirts % of Units	
	1986	1987	1986	1987
Total	100.0%	100.0%	100.0%	100.0%
Polyester dominant	46.8	59.4	55.5	60.0
100% polyester	2.1	5.1	15.2	18.2
Poly/cotton blend	42.0	49.8	36.2	37.0
Other poly blends	2.7	4.5	4.1	4.8
Cotton dominant	46.0	32.4	37.7	33.3
100% cotton	40.3	24.7	29.0	22.6
Cotton/poly blends	5.4	7.6	8.1	9.9
Other cotton blends	0.3	0.1	0.6	0.8
All other fibers	7.2	8.2	6.8	6.7

Purchases of Women's Sweaters By Fiber Content

	% of Units	
	1986	1987
Total	100.0%	100.0%
Polyester dominant	4.3	4.7
Cotton dominant	19.9	20.7
100% cotton	16.6	16.4
Other Cotton	3.3	4.3
Wool dominant	6.1	6.0
Acrylic dominant	40.4	40.9
100% acrylic	31.6	32.7
Acrylic blends	8.8	8.2
Ramie dominant	22.4	18.5
All other fibers	6.9	9.2

Source: KSA/NPD Purchase Panel

CONSUMER PURCHASE PATTERNS

Slacks

Over the past three years, the market for women's slacks has been growing faster in the higher income brackets than in the medium and lower brackets, according to MRCA Information Service. Women in households earning over $35,000 a year purchased 34% of the units sold in 1985, increasing to 38% in 1986, and shooting up to 41% last year.

Dollar sales to these women have climbed at a considerably faster rate; from 38% share of market in 1985, to 43% in 1986, and 46% in 1987--adding up to a 21% increase over two years. In contrast, the overall women's slacks market has remained flat during this period.

The demand for slacks with fabrics of more comfortable and breathable natural fibers is escalating. Sales of 100% cotton slacks jumped from 18% to 23% of the market in 1987. Cotton/poly showed the same vitality, up from 13% to 17% of the market in 1987.

In 1987, upscale women shoppers spent the largest share (32%) of their slack dollars in department stores. However, just three years ago, department stores sales represented 38% of this market. During the same period, specialty stores enjoyed a small gain from 28 to 29% of dollars spent by affluents on slacks, although only 26% of all women shop in specialty stores.

Jeans

College age women wear jeans 49% of their waking hours, according to a survey by the Roper Organization for Levi Strauss & Co. 1,000 thousand male and female students were interviewed on 25 campuses around the country in April and May of 1987. The most popular kind of jeans were faded or worn, baggy or tight, with holes or rips. The brands of jeans perceived as most popular on campus for women were Levi's 501 and Guess (with 78% and 70% respectively with multiple responses available). Lee and Calvin Klein were rated much lower with 17% and 11% Wrangler, Jordache, Sergio Valente each received 6% or less.

Students were asked what apparel item they would purchase first if given $100 to start their wardrobe over from scratch. Blue jeans topped the list with 45% of the students. 19% said they would start by buying a blouse or shirt, and 12% would purchase a dress or slacks.

The majority of the students said there was "some pressure" to "not much pressure" on campus to be in style, though more than three quarters said their friends had the strongest influence on the style and types of clothing they wear.

SCHEDULE OF ADDITIONAL FACT FILES

THE CHILDREN'S MARKET: INFANTS', TODDLERS', GIRLS' AND BOYS' (APPAREL, PLAYTHINGS & RELATED PRODUCTS): Includes a detailed statistical profile of the U.S. industry, i.e. number and size of manufacturers, production and shipments, employment trends and more. Also details imports and exports by product. At the retail level, this Fact File covers sales estimates, information on leading outlet types and on consumer price trends. The size of the growing potential market in terms of population counts and birth projections is outlined as well as consumer preferences and buying patterns in the consumer market.

CONSUMER MARKET DEVELOPMENTS (1988 Edition): Provides an overview of all facets of consumer market growth, including population size, age distribution, educational levels, employment by occupation groups, earnings. Development of specific market segments are analyzed which are shaped by changes in income levels, living arrangements working women, marriage and birth trends, and fast-changing economic developments.

DEPARTMENT STORE AND SPECIALTY STORE SALES (1988 Edition): Updates 1987 edition reports on department and specialty stores (number and sales) at the buying headquarter level, with information on branch stores where available. Data is organized for headquarter operations listed by city within the four major geographical regions of the U.S. Additional features: an alphabetical listing of major national chains in the general merchandise and apparel store classifications with the latest sales figures; a list of top traditional department store operations ranked by sales, covering store operations with a volume of $50 million or more in 1987; a list of conglomerates operating traditional department and apparel specialty stores, with the names and headquarter locations of these stores.

DRESSES, DRESS DEPARTMENTS, WASHABLE SERVICE APPAREL (WOMEN'S, MISSES', JUNIORS'): Includes trends in the U.S. industry, such as number of manufacturers, production, shipments; information on imports and their market penetration. Estimates are included on retail sales, as well as information on consumer spending patterns, and the growing importance of the service industries requiring washable service apparel.

FASHION ACCESSORIES (MEN'S AND WOMEN'S): Covers developments in the U.S. industry, in imports and in retail sales for fashion accessories, including small leather goods, handbags, millinery, scarves, gloves, belts, jewelry, sunglasses, watches, etc., to the extent that statistical information is available. Included are production and shipments by U.S. manufacturers plus the quantity and value of imports in recent periods. Retail sales and operating results in department and specialty stores are reported.

FOOTWEAR (MEN'S, WOMEN'S, BOYS', GIRLS'): A statistical analysis of the U. S. footwear industry and on imports, including import penetration by type of footwear, changes in sourcing patterns, etc. Also includes information at consumer spending patterns, retail sales by outlet type, operating ratios in footwear departments, consumer buying patterns.

HOME TEXTILES & RELATED PRODUCTS: Covers information on manufacturers in the industry, and developments resulting from consolidations, the quantity and value of U.S. production, foreign trade, total market supply. At the retail level, the report includes information on household spending, price trends and consumer buying habits. Included in this Fact File are facts on linens and domestics, as well as window coverings and related hardware, and bath shop items.

HOSIERY/LEGWEAR (MEN'S, WOMEN'S, BOYS' GIRLS'): A comprehensive report on these industries at the mill, retailer and consumer levels. Included are details on production and shipments, retail sales by type of outlet, patterns in consumer spending.

HOUSEHOLD FURNITURE AND BEDDING (Mattresses, Dual-Purpose Sleep Furniture, etc.): Reviews important market trends and provides an overview of important statistics at the manufacturing, retailing and consumer levels relating to furniture and bedding. Included is information on the number of manufacturers, the quantity and value of shipments, employment and earnings, and industry concentration levels. Retail data includes information on furniture store sales, the leading furniture stores and the leading department stores in furniture volume; trends in consumer spending for furniture and price level changes.

MEN'S FURNISHINGS AND WORK/CAREER APPAREL: Provides a summary of major market trends in men's shirts, (dress and sport), underwear, nightwear, robes, hosiery and headwear, as well as the growing market for work/career apparel. These products are covered at the U.S. industry level, including production and shipments, employment trends and manufacturer concentration levels. Imports are detailed by product in terms of quantity and value, as well as exports. Data at the retail level includes sales and operating results in men's furnishings in department and specialty stores.

MEN'S SPORTSWEAR, CASUAL WEAR, OUTERWEAR: The wide variety of men's wear items included in this broad category are covered; including available information on the industry and markets at the manufacturer, retailer and consumer levels. It covers information on production and shipments by U.S. producers, imports and exports, as well as estimates on retail sales and information on consumer buying practices.

MEN'S TAILORED CLOTHING/SEPARATES; RAINWEAR: Covers information on the fast-growing category, tailored (but unstructured) separates for men, as well as suits, jackets and coats made in the men's clothing industry, plus rainwear. U.S. industry data includes trends in the number of manufacturers, production and value of shipments, location of the industry and employment trends. Foreign trade is examined, including export and import developments. The U.S. consumer market is defined in terms of number in the population by age and by population groups. A look is taken at the Young Men's market and merchandising practices of stores to reach this market.

RETAILING/MERCHANDISING TRENDS: Covers the dramatic changes underway in the operations, of the large retailing organizations, such as the decentralization of operations beyond traditional geographic boundaries and diversification of operations to include store types differing from the primary business. Also covered are developments in brand name merchandising, store labels, designer labels, licensing and off-price retailing. (Latest edition available 1984).

SALES OF MAJOR CLASSIFICATIONS OF CONSUMER GOODS BY RETAIL OUTLET TYPE: Covers sales of grocery products, drugs, apparel, footwear, sporting goods, home furnishings and other product lines by major type of retail outlet. The sales are detailed, and trends analyzed on market shares held by major outlet types based on the latest complete Census of Retail Trade. (Latest edition available 1986.)

THE SPORTS/FITNESS/LEISURE MARKETS: Covers the market for products designed for the active sports participant, as well as athleisure activities and active apparel. Covers growth trends in specific sports and related products, including footwear and apparel, and developments in the fitness market.

SPORTSWEAR, CASUAL WEAR, SEPARATES (WOMEN'S, MISSES' AND JUNIORS'): A statistical view of the products included in this classification at the manufacturing and retailing level. Includes information on production, shipments, foreign trade, a well as estimates on consumer spending and buying patterns and on market trends.

STATISTICAL ANALYSIS OF RETAILING (A Fact File Special Edition): A detailed statistical summary of retail trade in the U.S. based on findings in the 1982 Census of Retail Trade issued in 1985 by the U.S. Census Bureau. Percentage distributions have been calculated for firms and outlet types, including single and multi-unit operations, sales concentration and geographical distribution, with comparisons with 1977 census findings where possible. (Latest edition available 1985).

THE TEXTILE/APPAREL INDUSTRIES: Provides an overview of the U.S. textile and apparel industries, their current problems and programs to improve their competitive position in the U.S. market and abroad. Covers a statistical profile of each industry in terms of number of manufacturers, concentration levels, production and shipments, including exports. Trends in imports in terms of quantity and value are detailed.

TOILETRIES, COSMETICS, FRAGRANCES: A detailed view of the U.S. industry covering products for both the female and male markets. Includes latest available industry statitistics, at the manufacturing and retail levels. The quantity and value of manufacturers' shipments, leading manufacturers, advertising expenditures are covered, as well as information on retail sales by product, consumer buying habits and price trends.

WOMEN'S COATS, SUITS, TAILORED CAREER WEAR, RAINWEAR, AND FURS: Data for the domestic industry includes the number of manufacturers, industry concentration levels, trends in employment and earnings, production and value of shipments, including exports. Import trends and impact on U.S. market supply are analyzed. At the retail level, information includes consumer price trends, the size of the potential market and outlook for growth in terms of population by age group and employment trends among women.

WOMEN'S INNER FASHIONS: NIGHTWEAR, DAYWEAR AND LOUNGEWEAR: An analysis of statistical information available on the industry and market, from manufacturer through to consumer. Includes the latest available data on U.S. production, shipments and exports; and details on imports. Retail sales and operating results in department and specialty stores are covered, as well as trends in producer and consumer prices.

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